

# Pathways to Inclusive Prosperity

AMY LIU

Brookings Metropolitan Policy Program

 @amy\_liuw

PHILADELPHIA

May 17, 2016

1

Components of metropolitan prosperity

2

Adapting to macro forces

3

Emerging innovations in cities

1

# Components of metropolitan prosperity

2

Adapting to macro forces

3

Emerging innovations in cities

# Components of economic success

GROWTH



PROSPERITY



INCLUSION





# The US economy is growing, but growth is not deep or broadly shared

## GROWTH



**+10.1%**

Economic output,  
2009-2014

## PROSPERITY



**+5.9%**

Output per capita,  
2009-2014

## INCLUSION



**-5.0%**

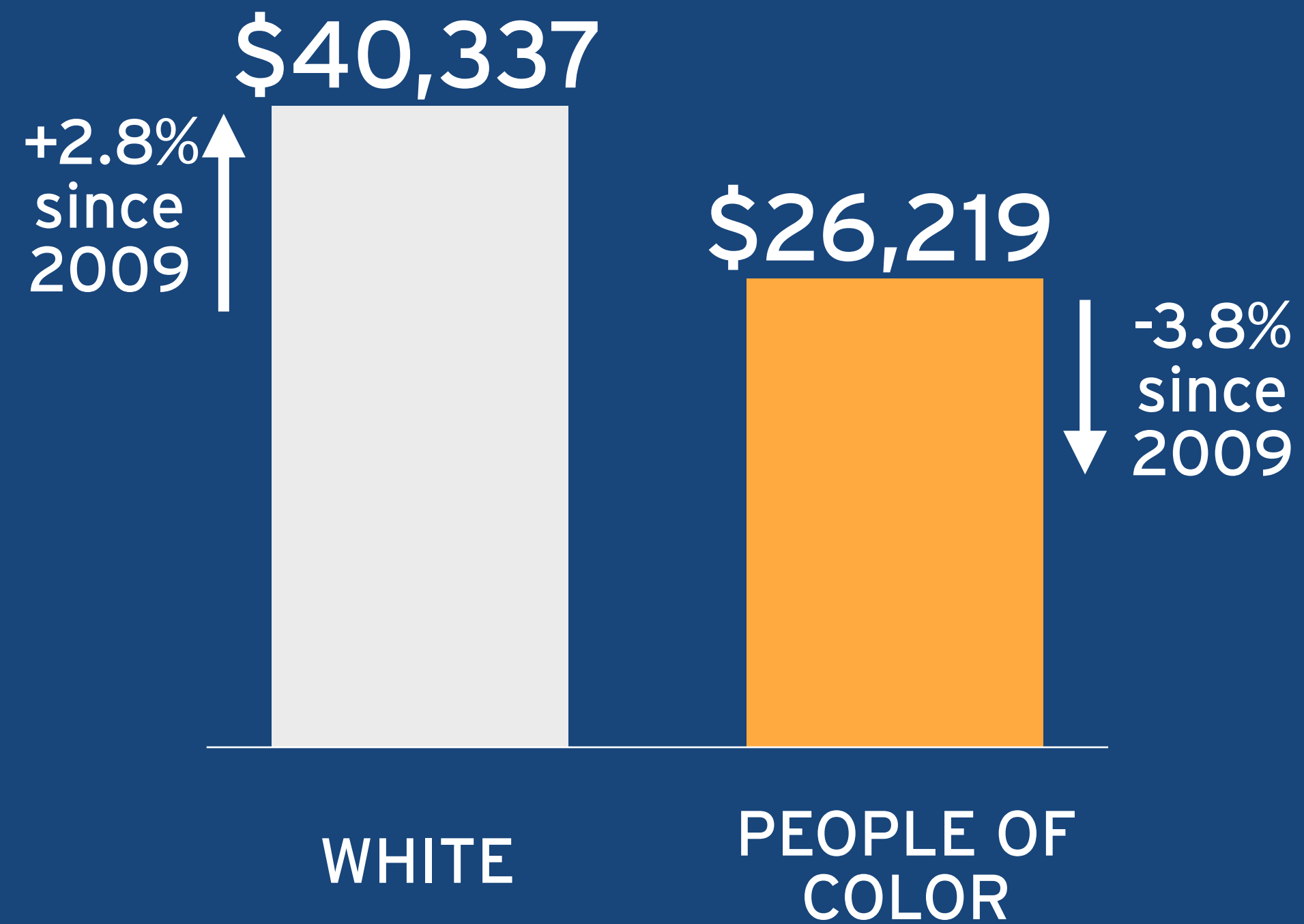
Median wage,  
2009-2014

# ...and large racial disparities exist

## INCLUSION BY RACE



Median Wage by Race  
2014



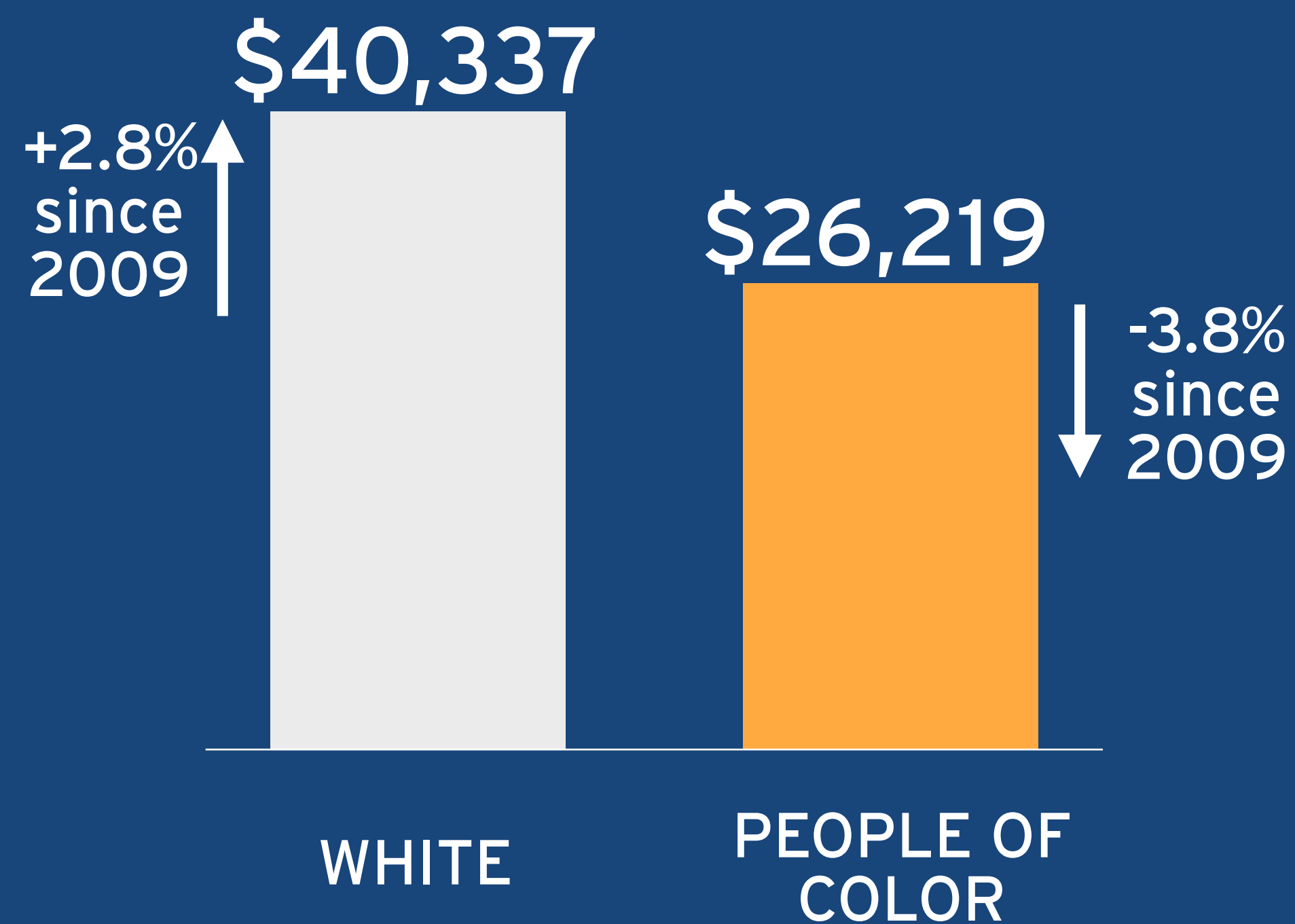
TOP 100 U.S. METROS

# ...and large racial disparities exist

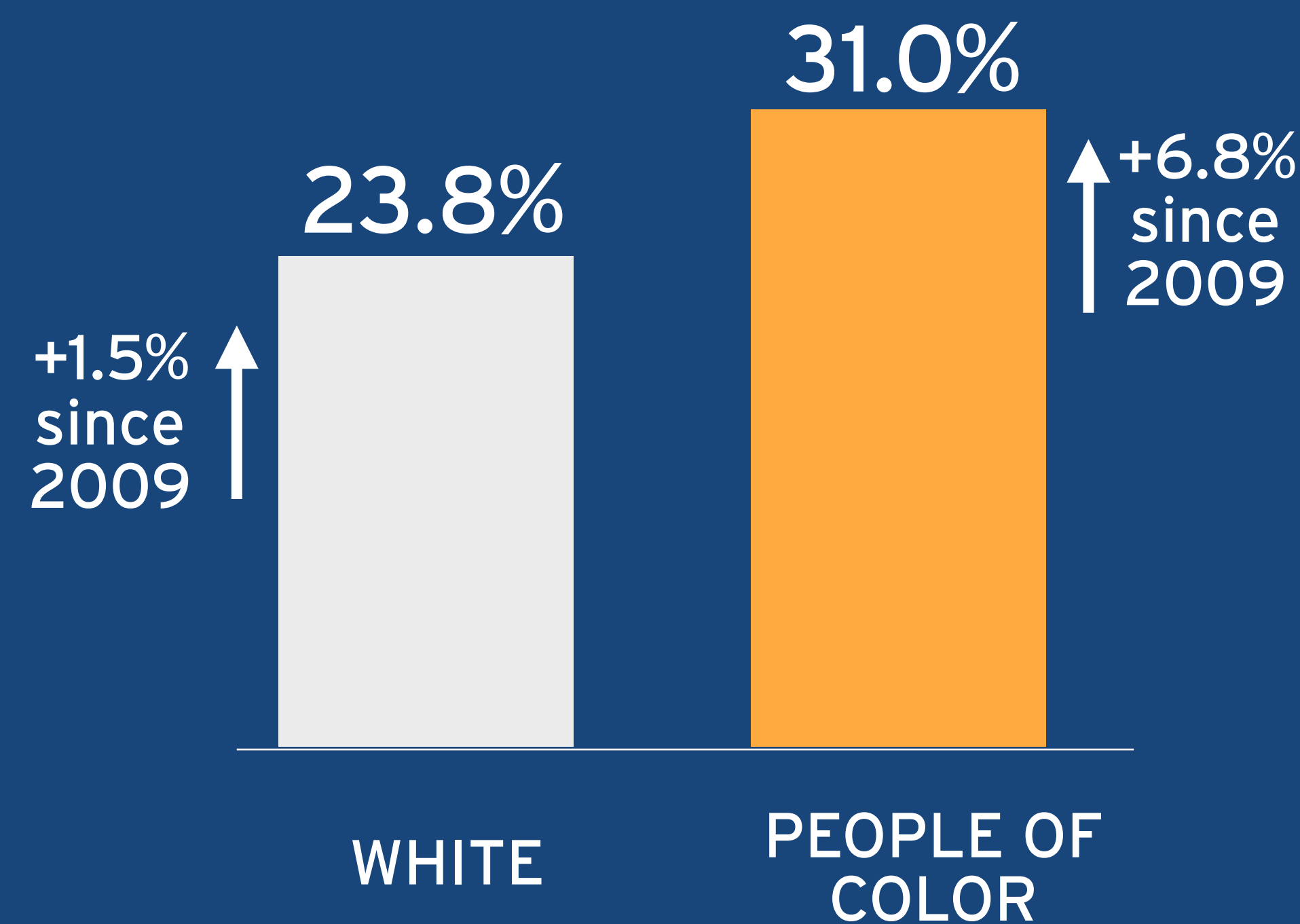
## INCLUSION BY RACE



Median Wage by Race  
2014



Low-Income Workers by Race  
*Share of workers earning less than  
half the median wage, 2014*



TOP 100 U.S. METROS

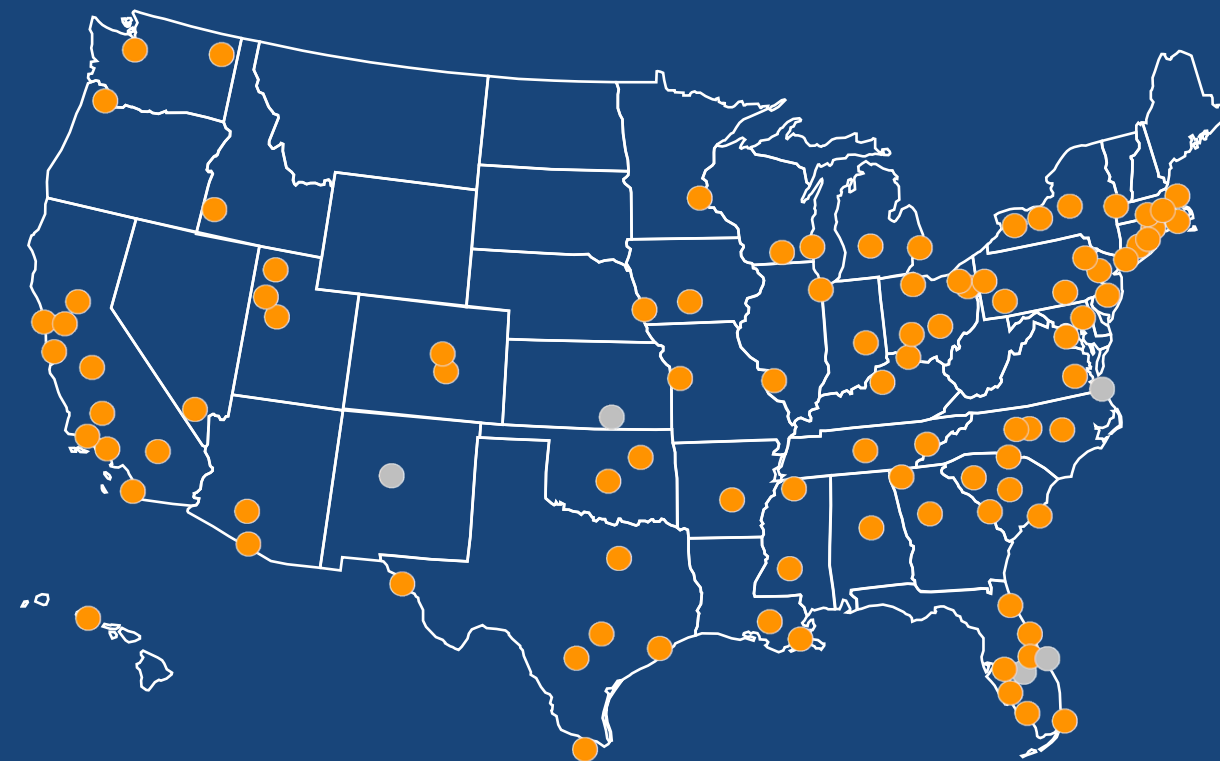
# Metropolitan economic growth is not inclusive

## GROWTH



95<sub>/100</sub>

Metros saw  
growth



## PROSPERITY



## INCLUSION



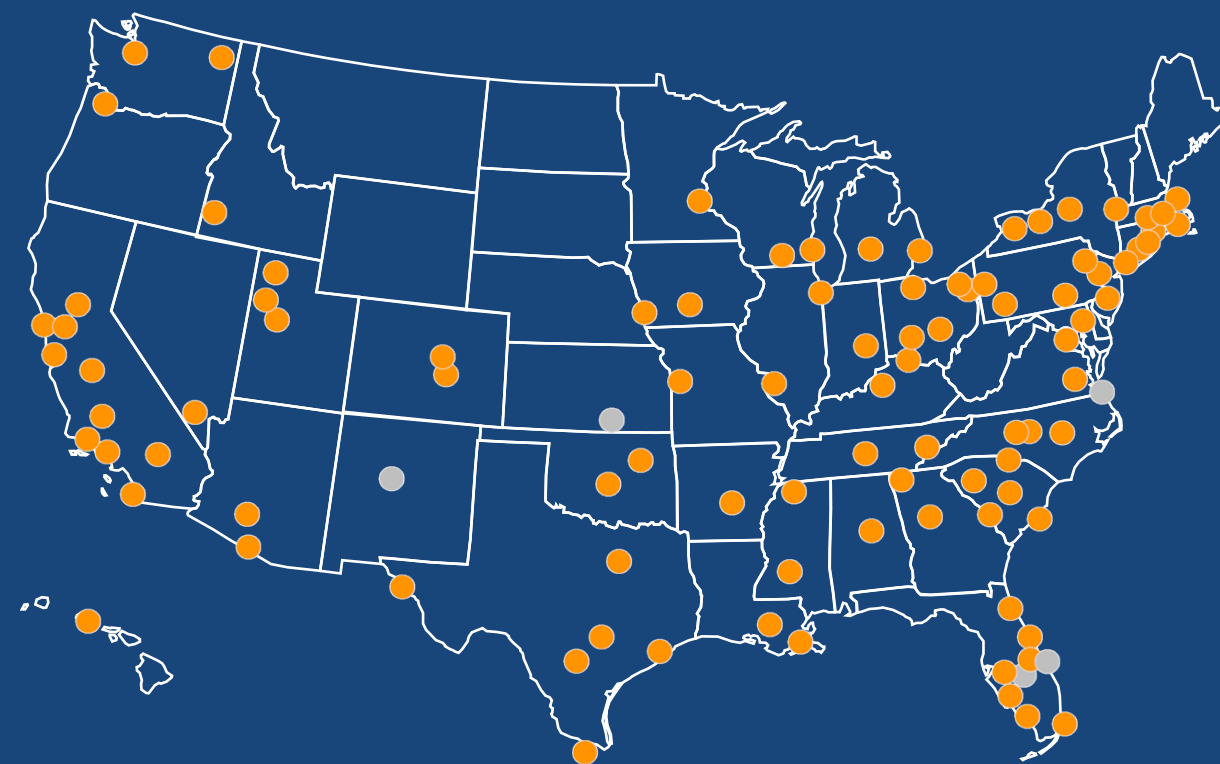
# Metropolitan economic growth is not inclusive

## GROWTH



**95**<sub>/100</sub>

Metros saw growth



## PROSPERITY



**63**<sub>/100</sub>

Metros improved prosperity



## INCLUSION



# Metropolitan economic growth is not inclusive

## GROWTH



**95**<sub>/100</sub>

Metros saw growth



## PROSPERITY



**63**<sub>/100</sub>

Metros improved prosperity



## INCLUSION



**8**<sub>/100</sub>

Metros improved inclusion



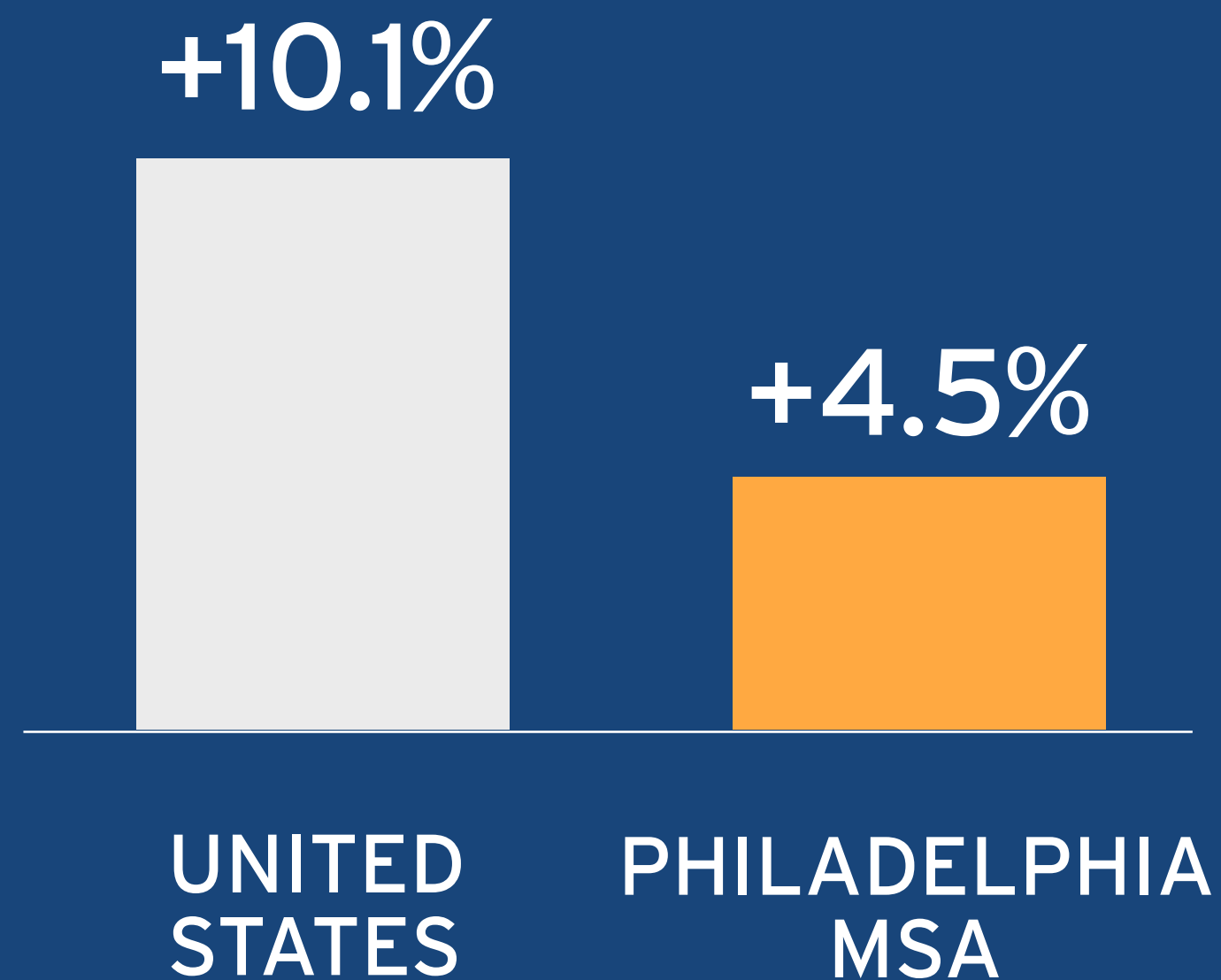


# Philadelphia fares worse than national averages

## GROWTH



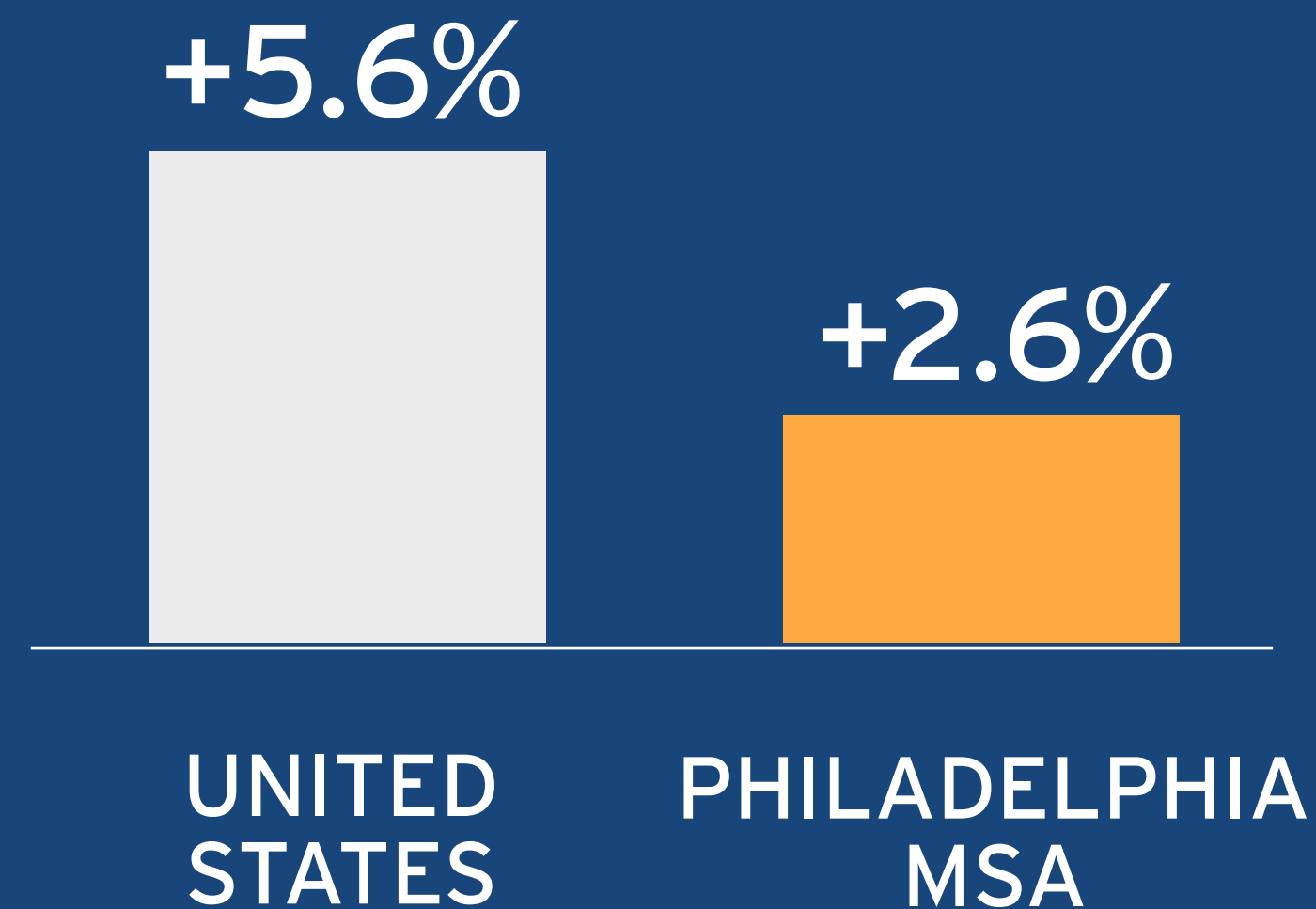
Economic Output  
2009-2014



## PROSPERITY



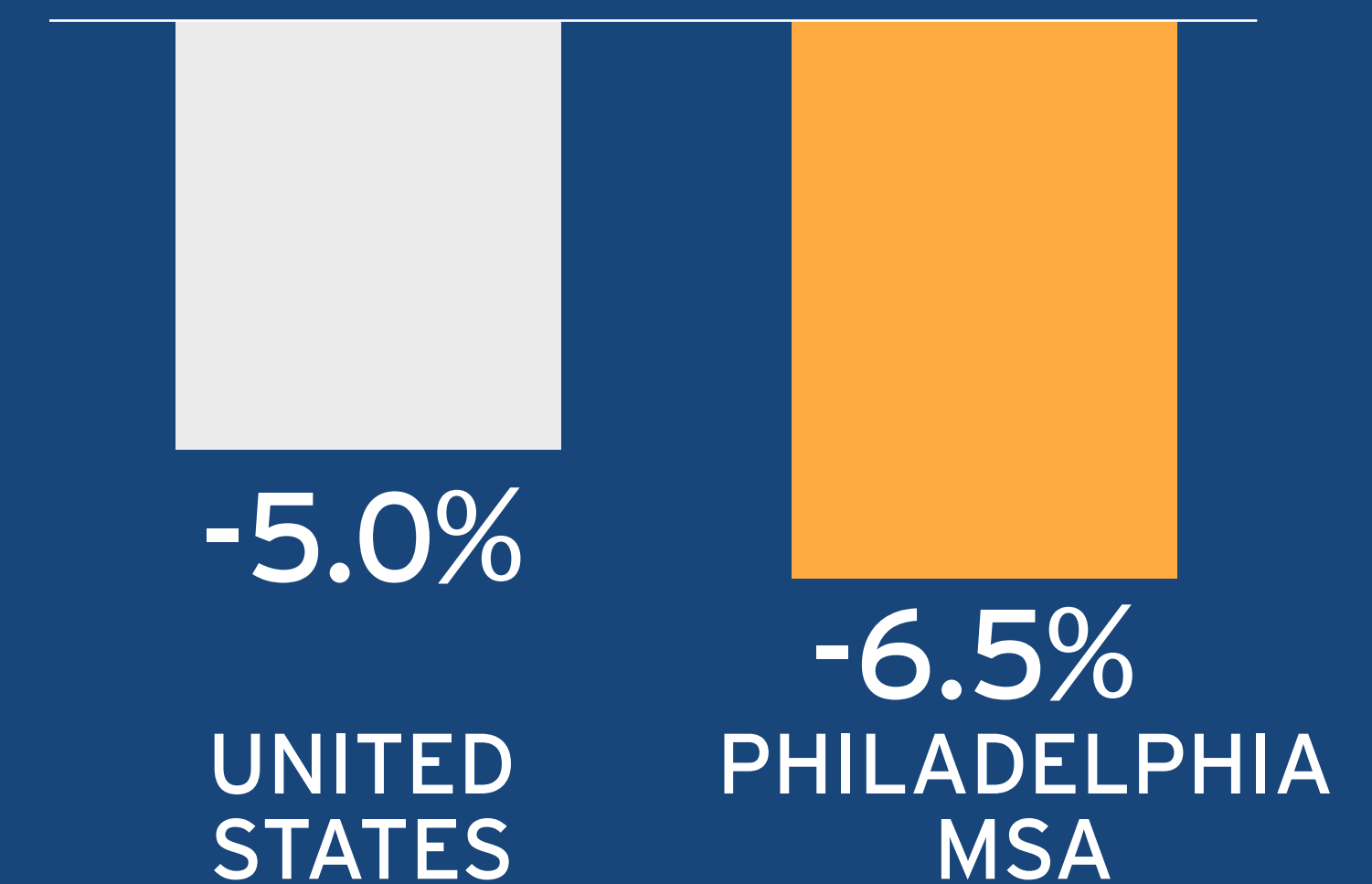
Output per Capita  
2009-2014



## INCLUSION



Median Wage  
2009-2014

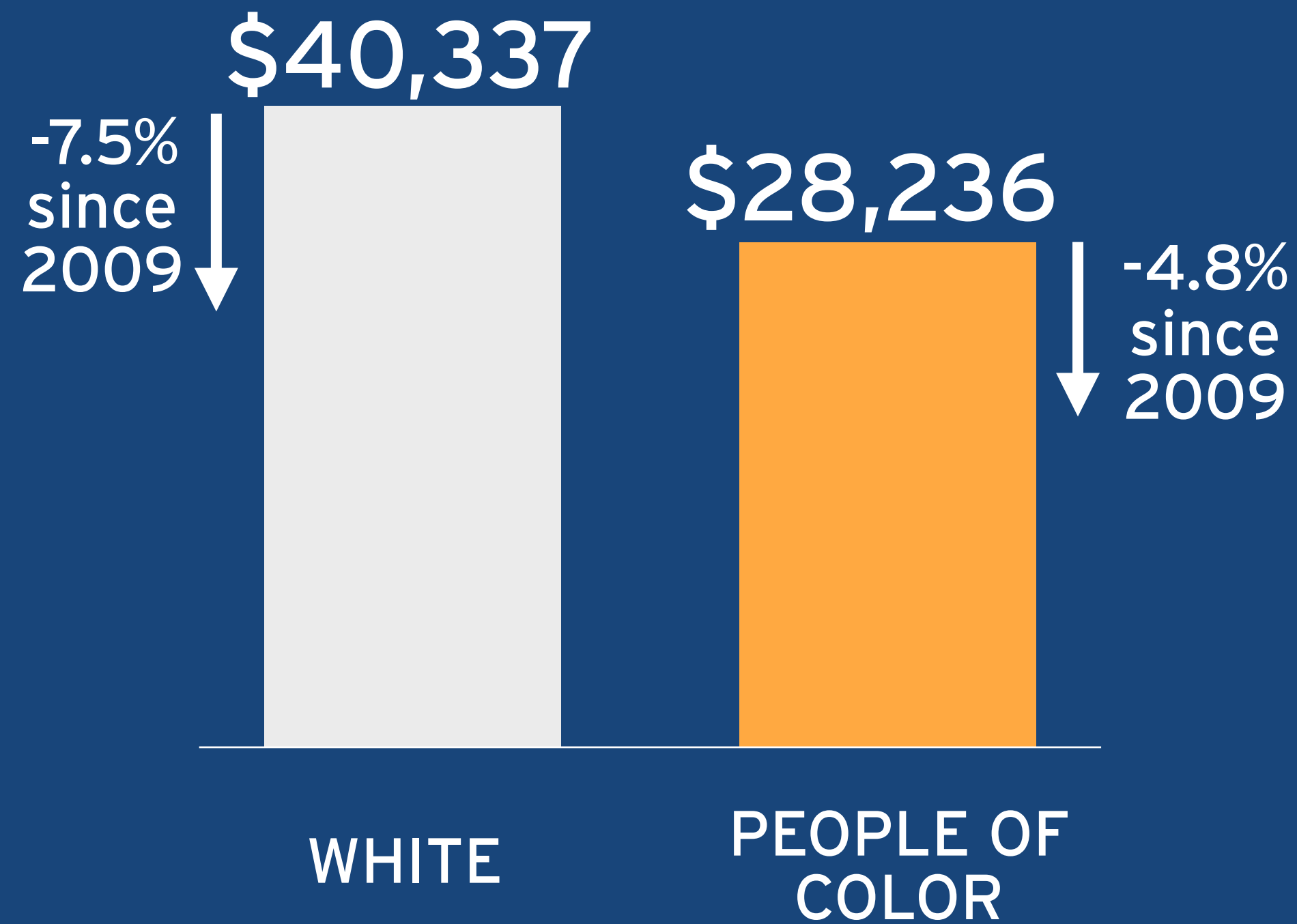


# Philadelphia fares worse than national averages

## INCLUSION BY RACE



Median Income by Race  
2014



PHILADELPHIA MSA

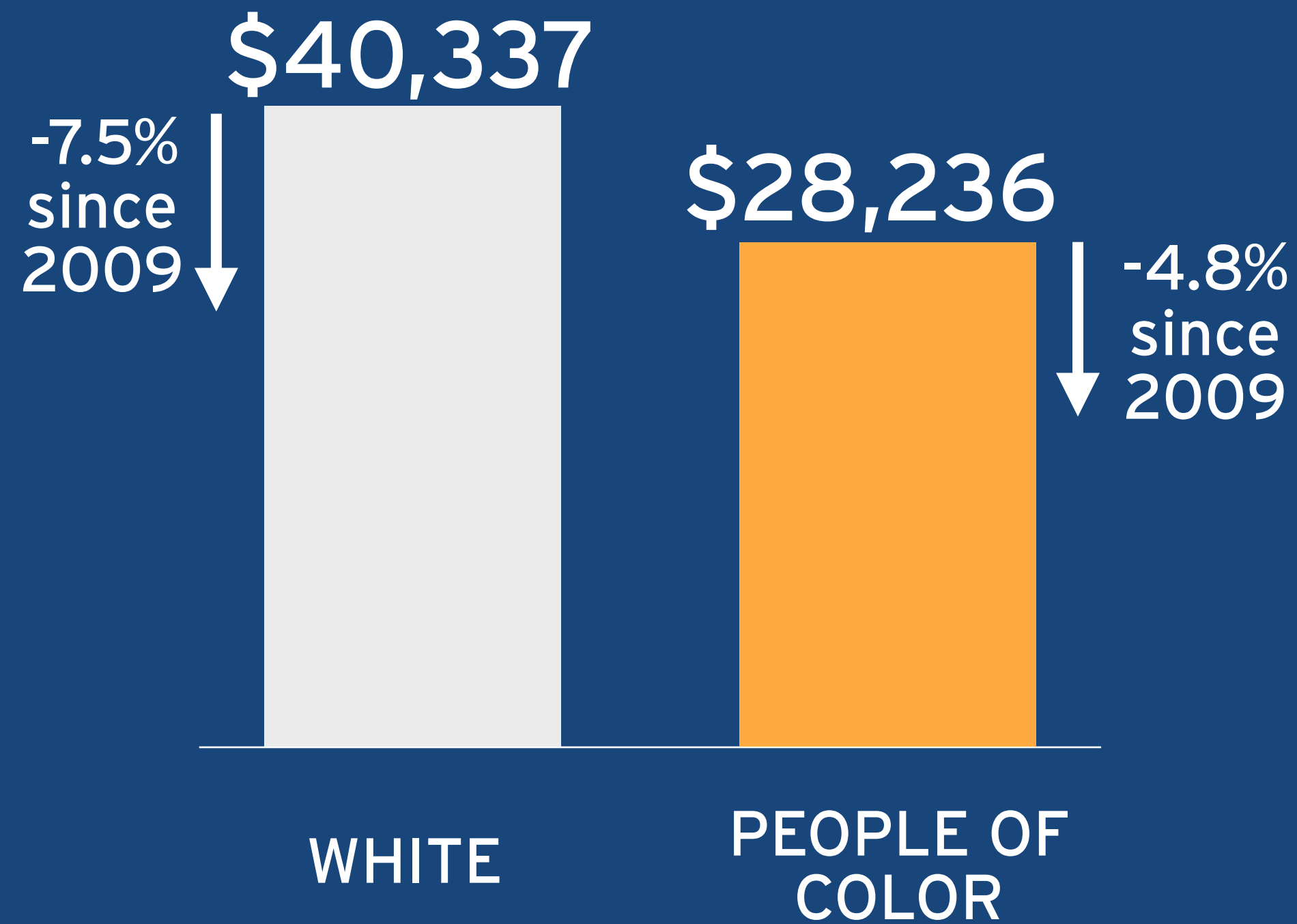


# Philadelphia fares worse than national averages

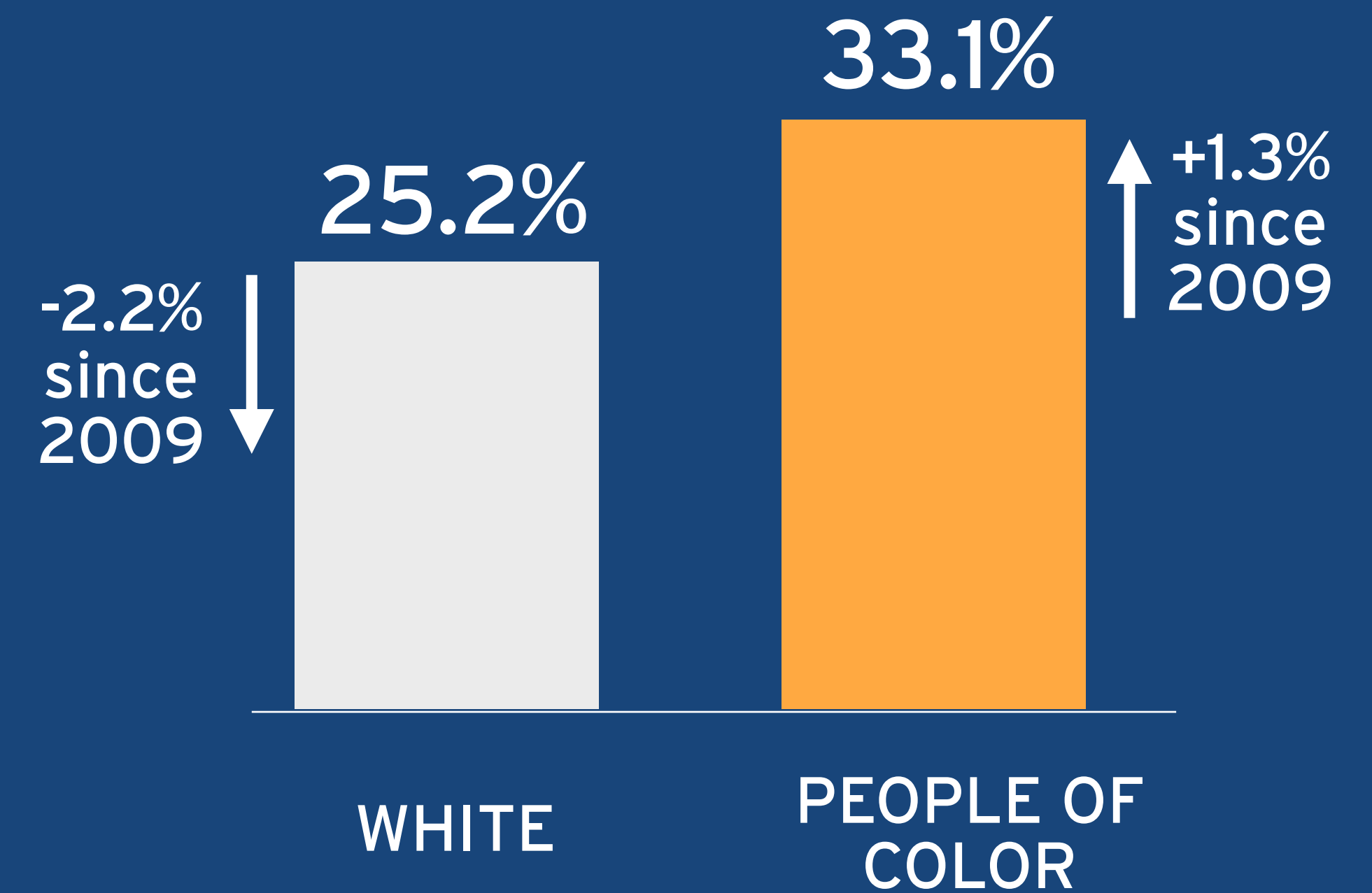
## INCLUSION BY RACE



Median Income by Race  
2014



Low-Income Workers by Race  
*Share of workers earning less than  
half the median wage, 2014*



PHILADELPHIA MSA

# Greater Baltimore is faring at or better than the nation

## GROWTH



Economic Output  
2009-2014

+10.1%



UNITED  
STATES

+8.6%



BALTIMORE  
MSA

## PROSPERITY



Output per Capita  
2009-2014

+5.6%



UNITED  
STATES

+5.1%



BALTIMORE  
MSA

## INCLUSION



Median Wage  
2009-2014

-5.0%



UNITED  
STATES

-2.7%



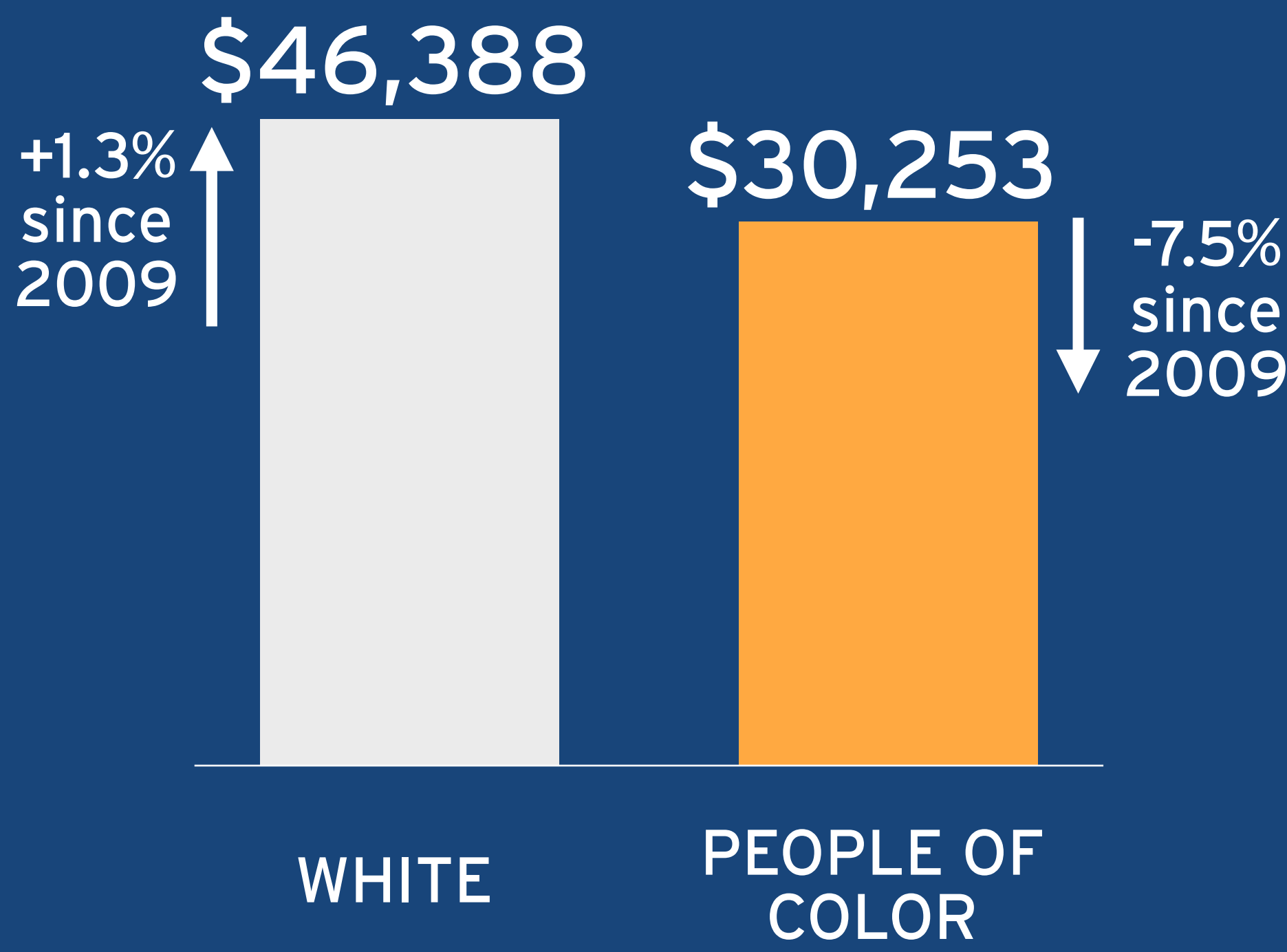
BALTIMORE  
MSA

...but gains are not shared equally

INCLUSION BY RACE



Median Income by Race  
2014



BALTIMORE MSA

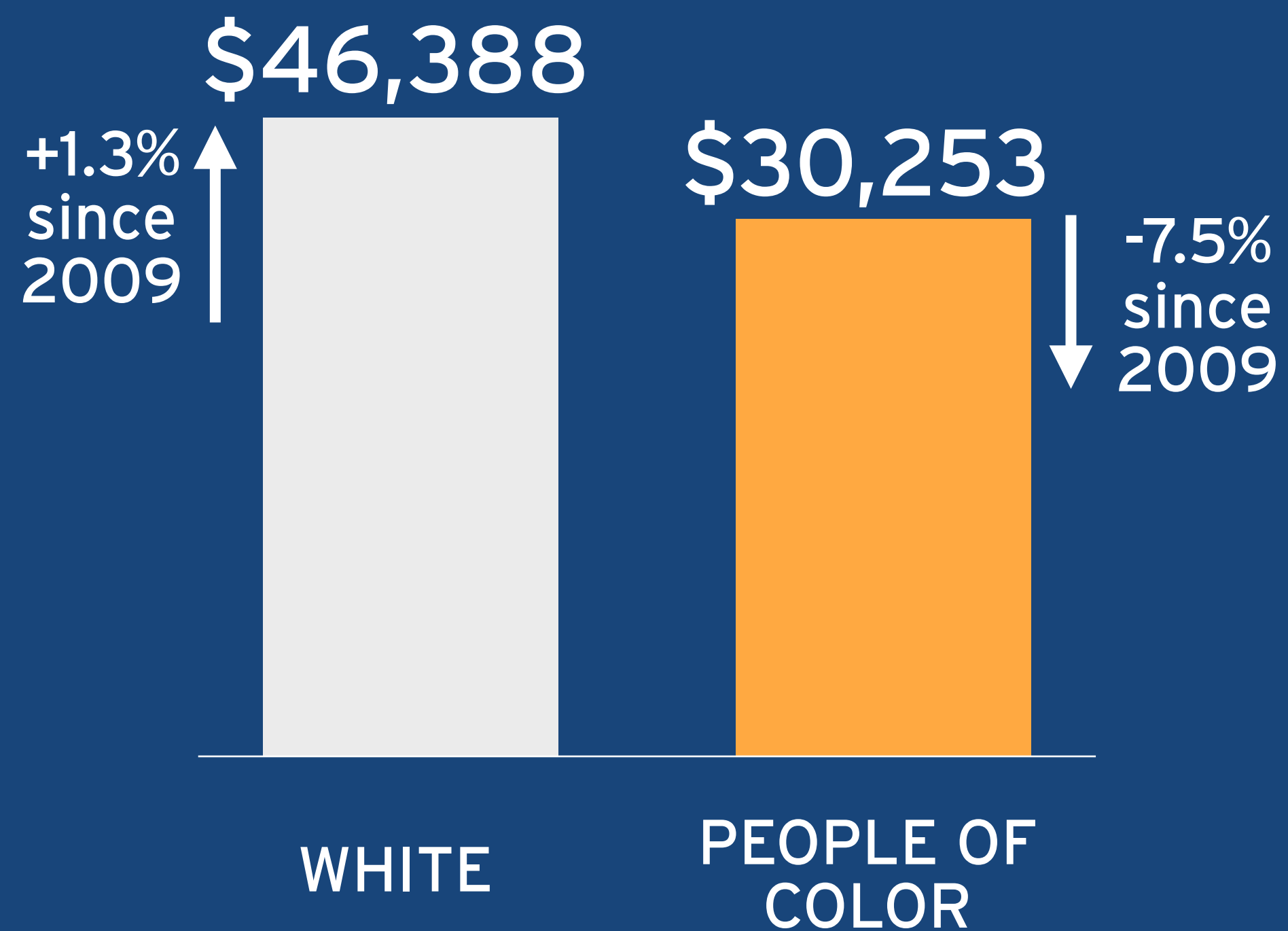
Source: Brookings, Metro Monitor, January 2016

...but gains are not shared equally

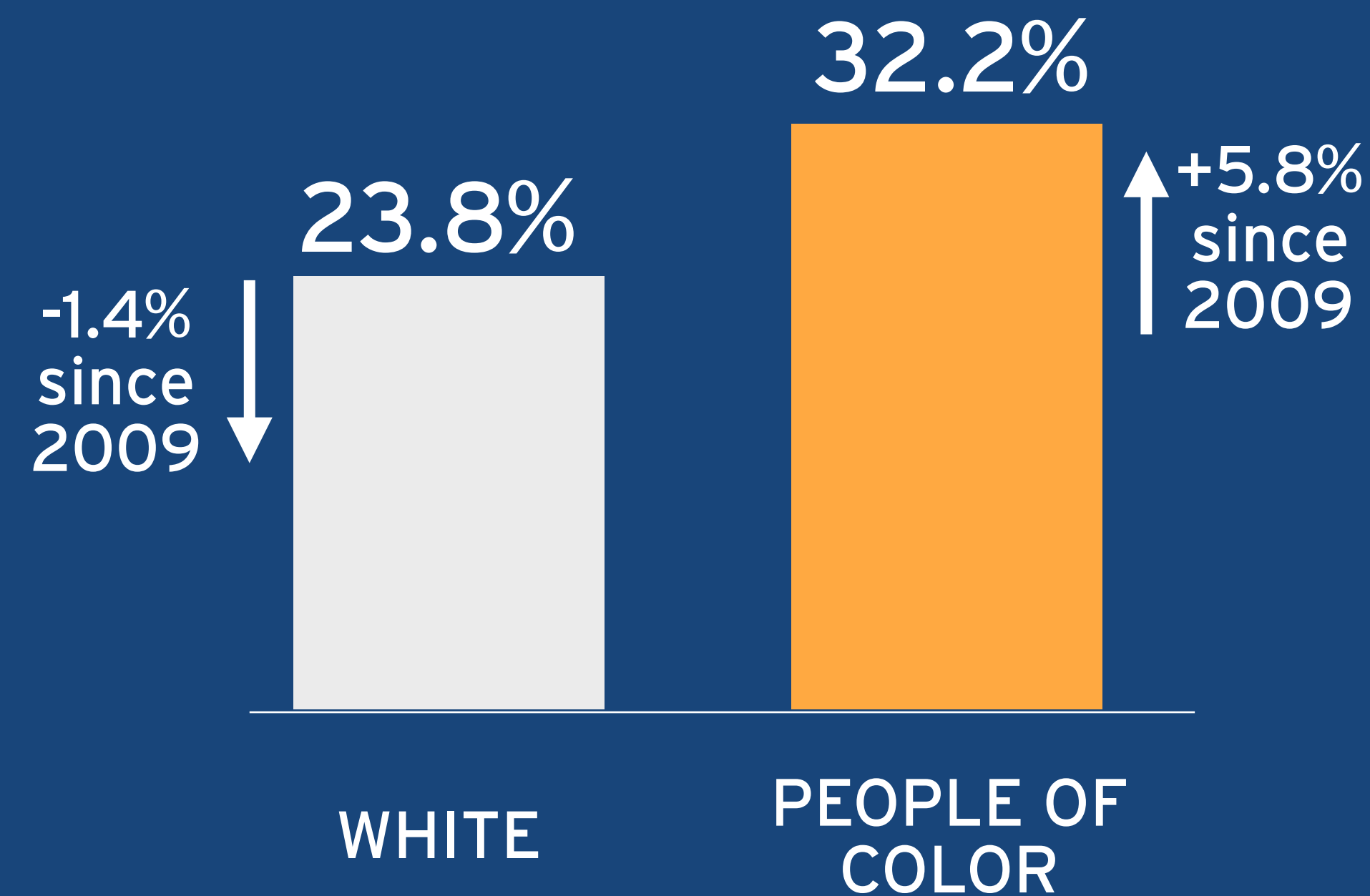
## INCLUSION BY RACE



Median Income by Race  
2014



Low-Income Workers by Race  
*Share of workers earning less than  
half the median wage, 2014*



BALTIMORE MSA

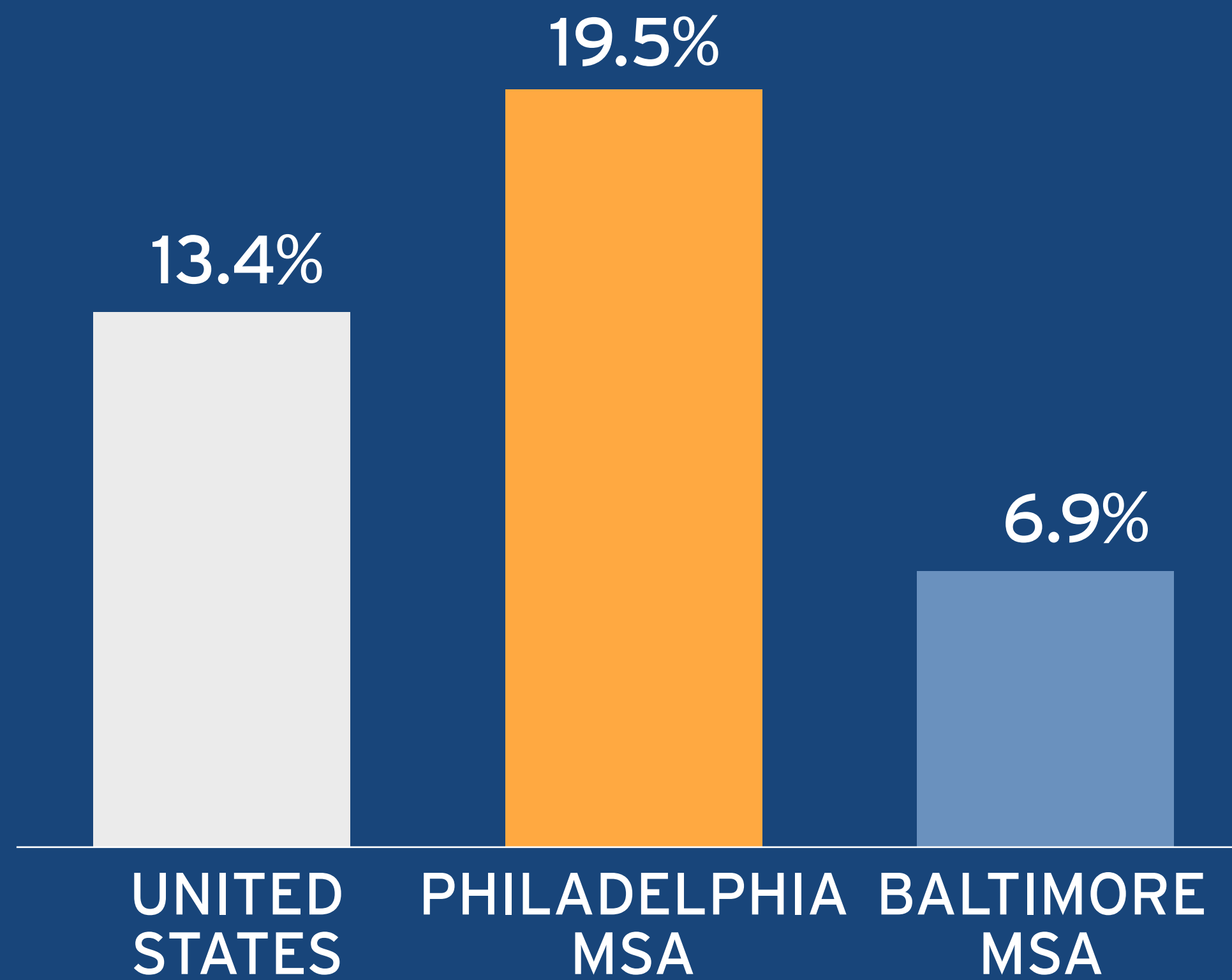
# Many young adults are disconnected from the labor force...

Metro area	Total number of disconnected youth (ages 16-24)	Share of 16-19 year-olds who are disconnected	Share of all 20-24 year-olds who are disconnected
New York, NY	150,985	3.8%	8.2%
Philadelphia, PA	53,744	4.0%	9.5%
Washington, DC	29,344	2.8%	5.5%
Baltimore, MD	18,960	3.7%	7.2%
<hr/>			
United States Totals	2,243,041	4.6%	9.9%

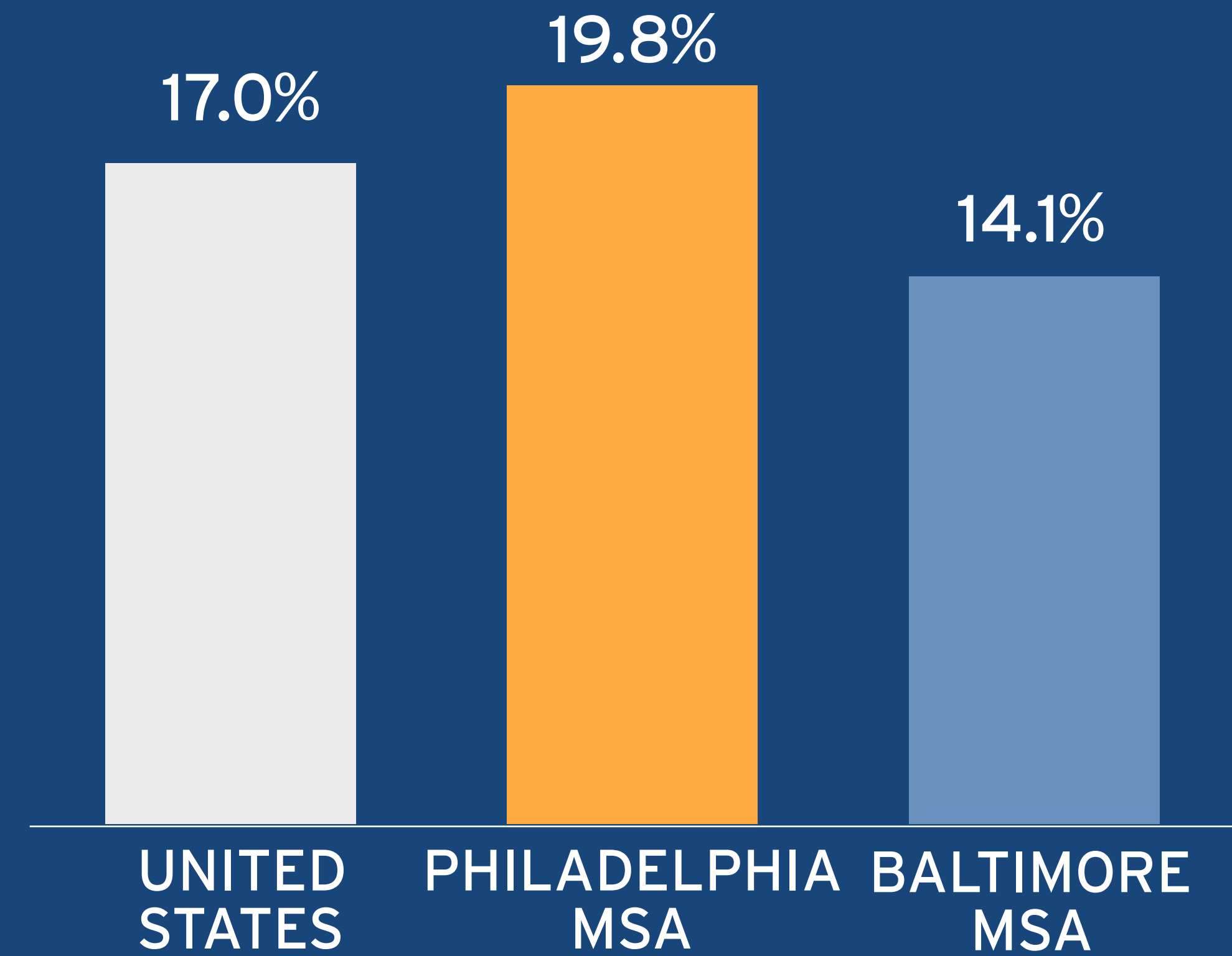
...particularly youth of color

## Share of Disconnected Youth by race, ages 20-24

Hispanic



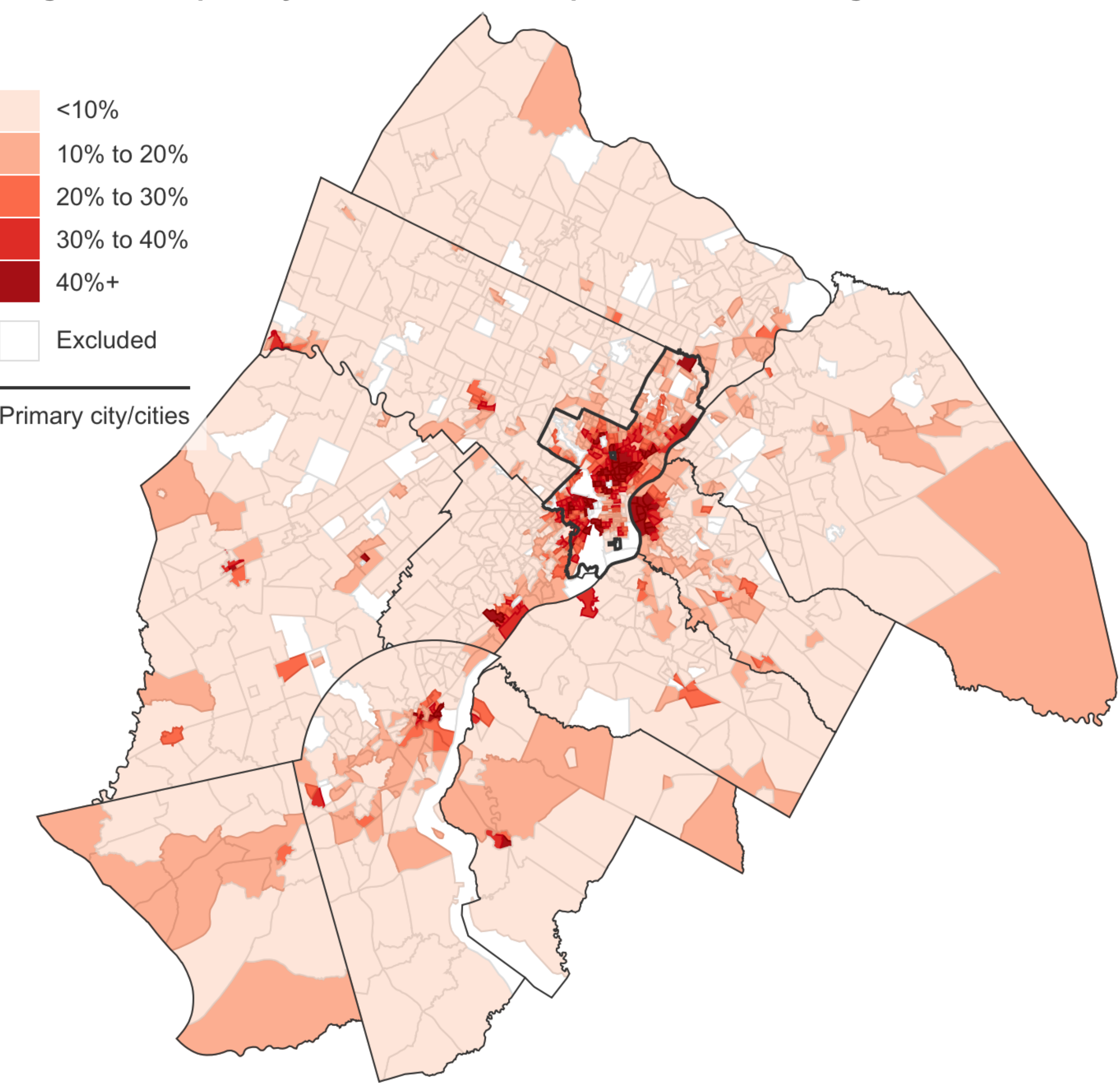
Black



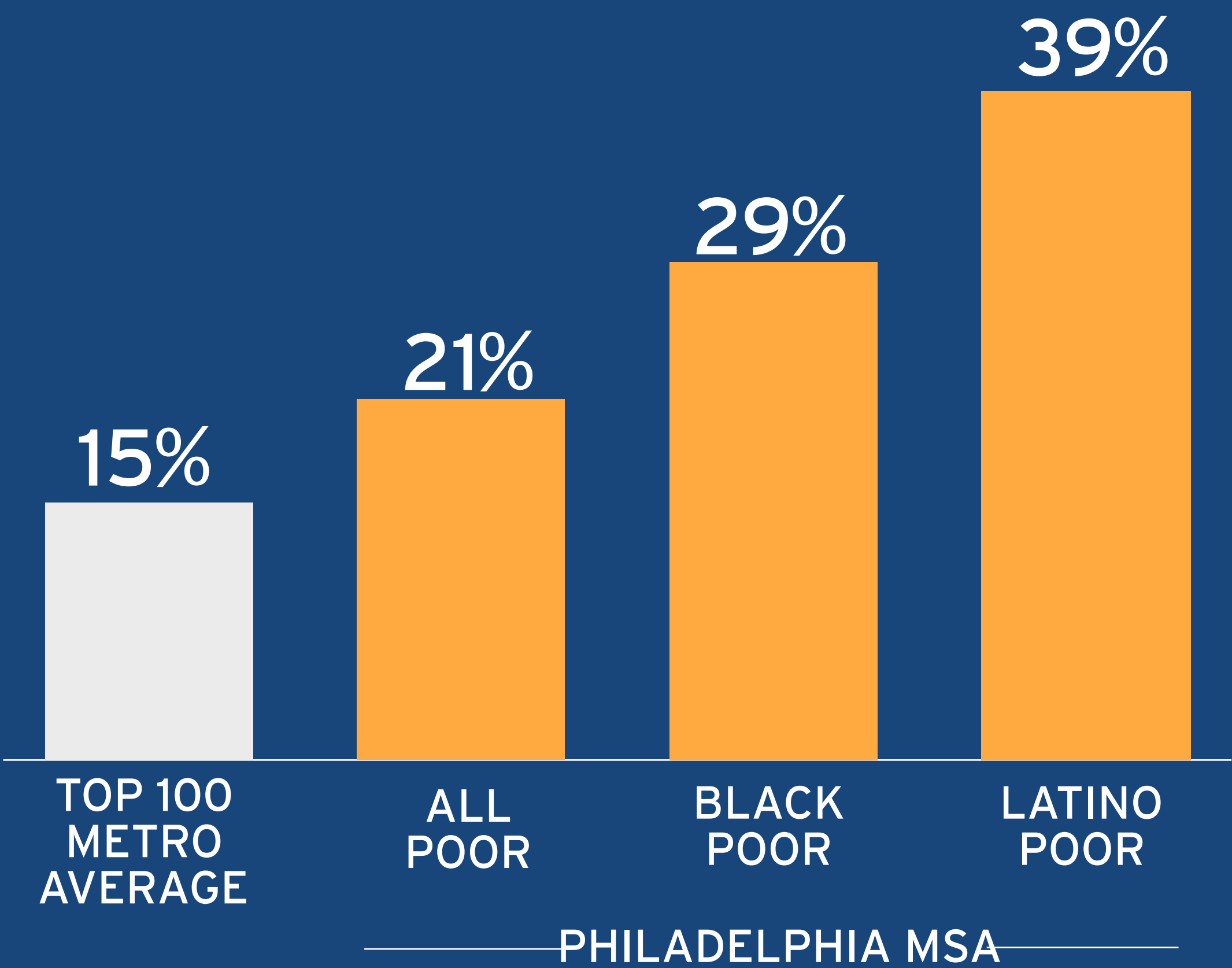


# In Greater Philadelphia, disparities by place and race are stark

Neighborhood poverty rates in the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD metro



Share of poor population living in neighborhoods of at least 40% poverty

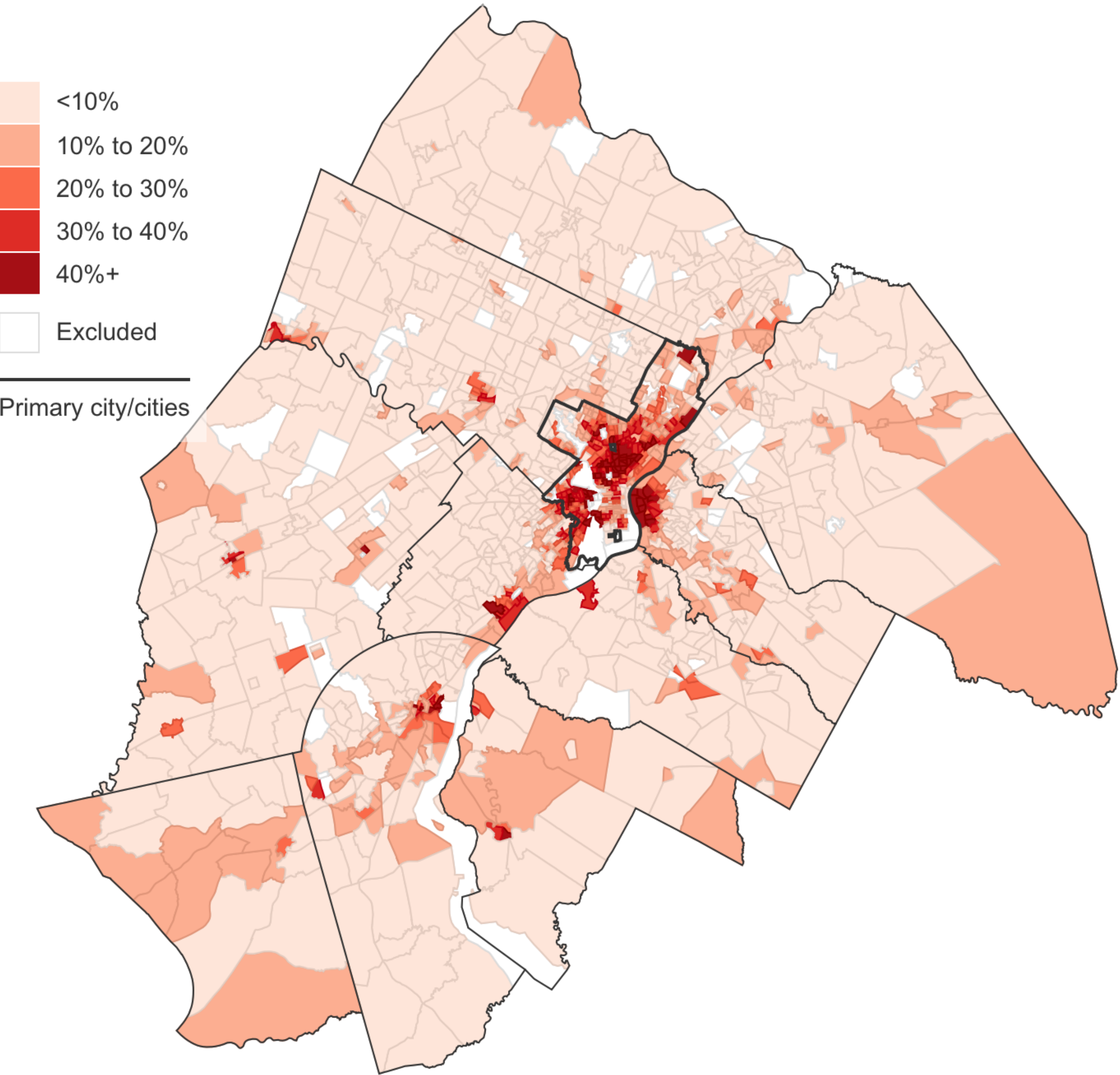


Source: Brookings, US Concentrated Poverty in the Wake of the Great Recession (2016)



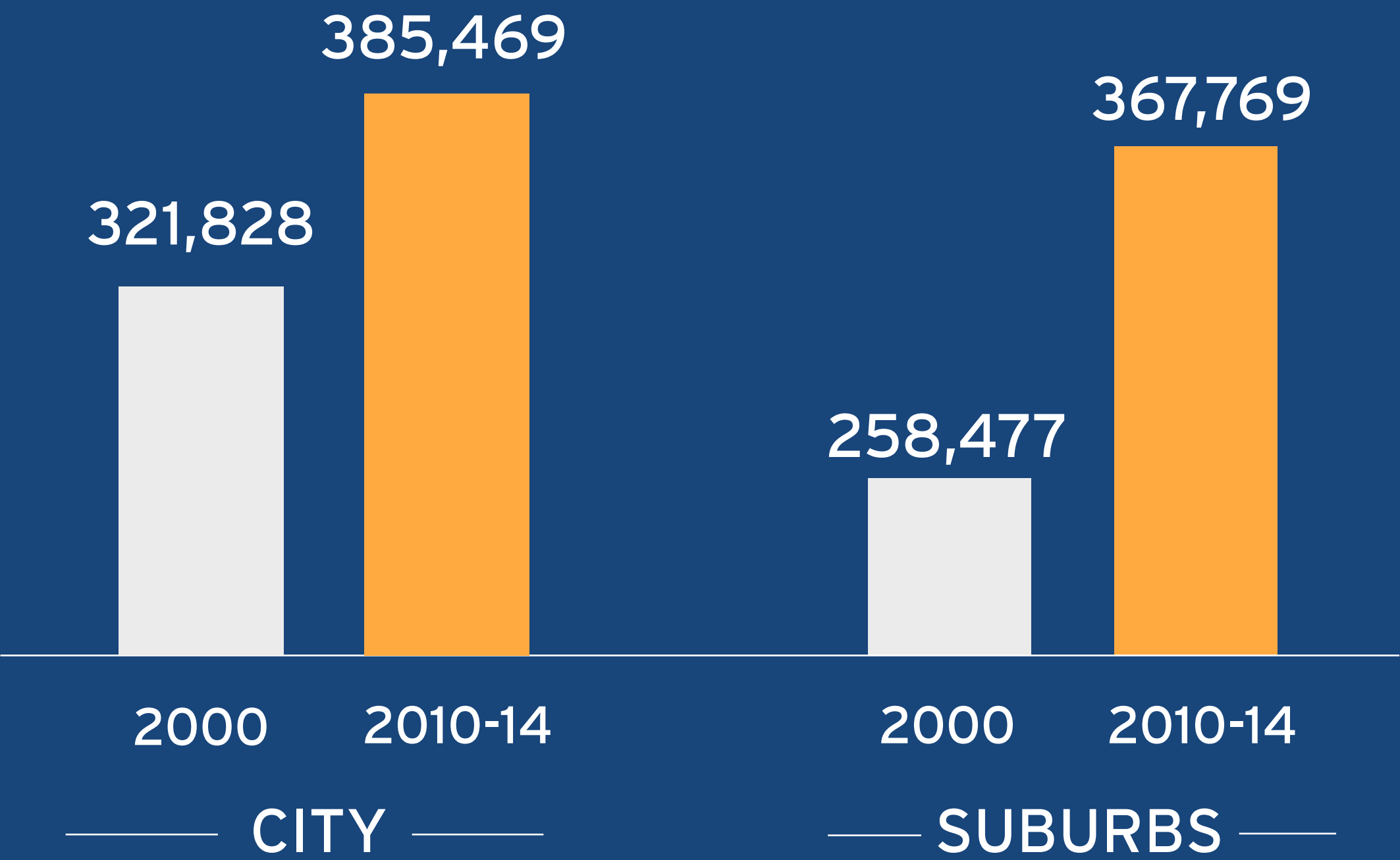
# Poverty is increasingly a metropolitan concern

Neighborhood poverty rates in the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD metro



Number of poor residents,  
2000 to 2010-14

## PHILADELPHIA

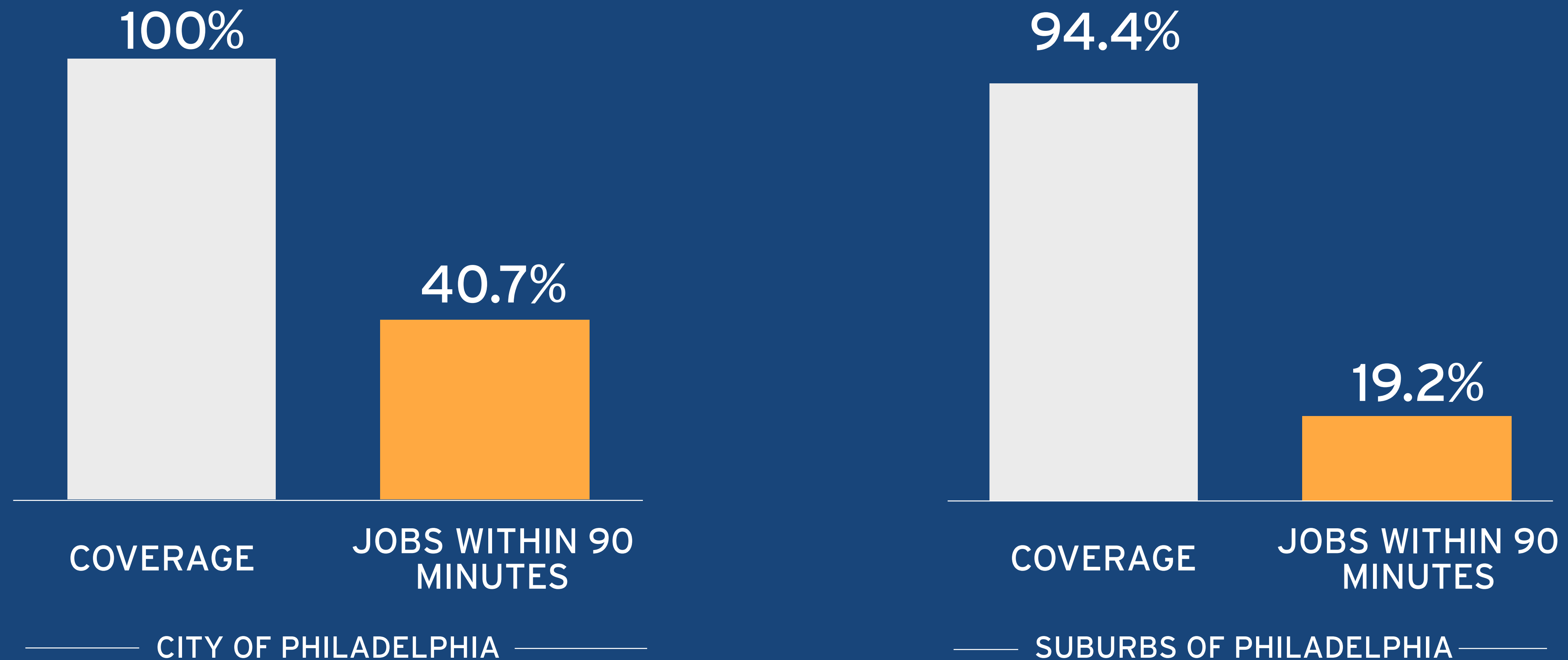


Source: Brookings, US Concentrated Poverty in the Wake of the Great Recession (2016)



# ...and low-income Philadelphians face barriers to reaching jobs

Public transit accessibility  
for low-income residents



1

Components of metropolitan prosperity

2

Adapting to macro forces

3

Emerging innovations in cities

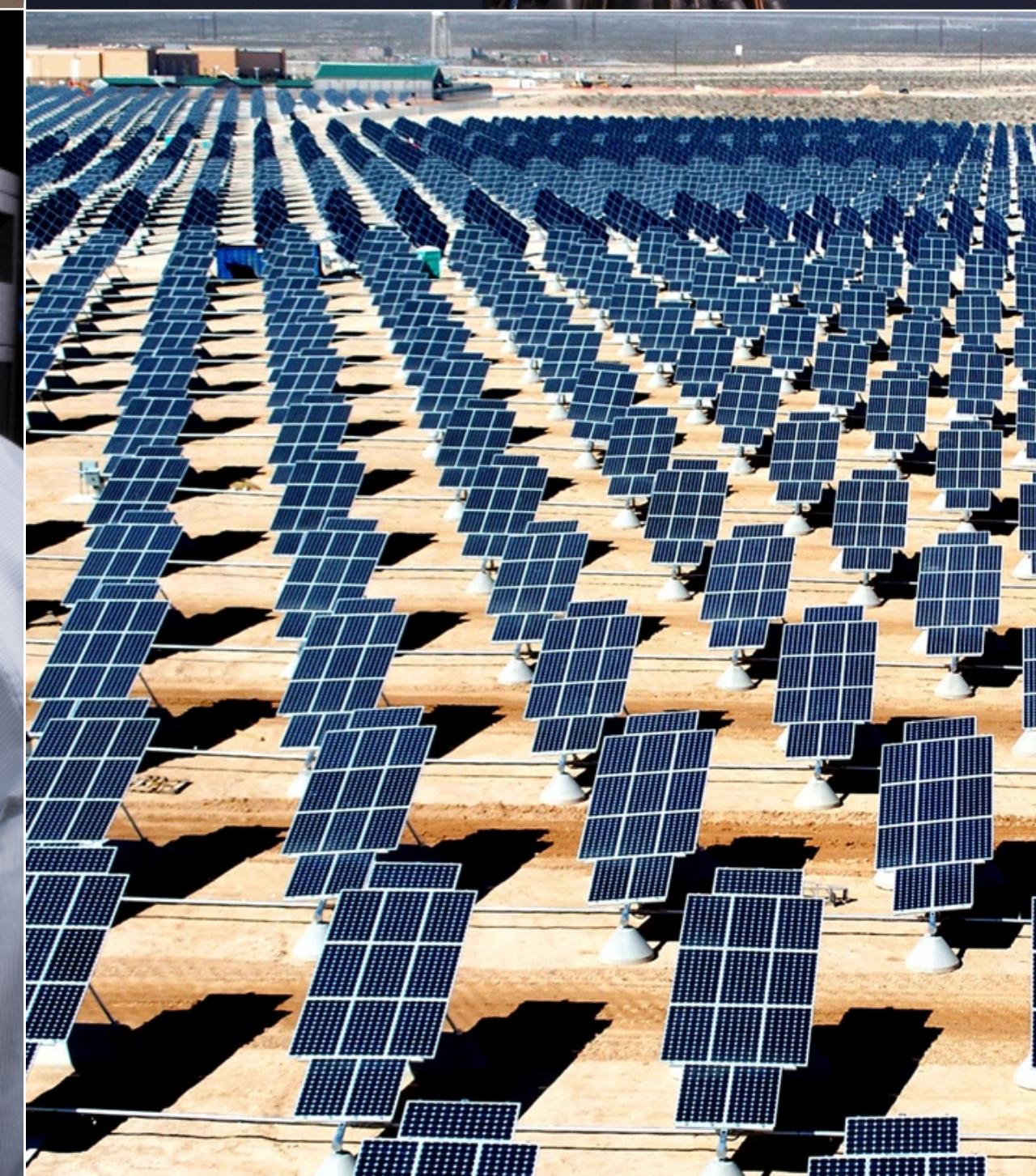


New technologies are  
disrupting firms...

Estimated impact of 12 technology  
platforms on the global economy

**\$33** trillion  
/YEAR

through 2025



Photos: Google, Shadow Robot Company

Source: James Manyika and others, "Global flows," McKinsey & Co., 2014



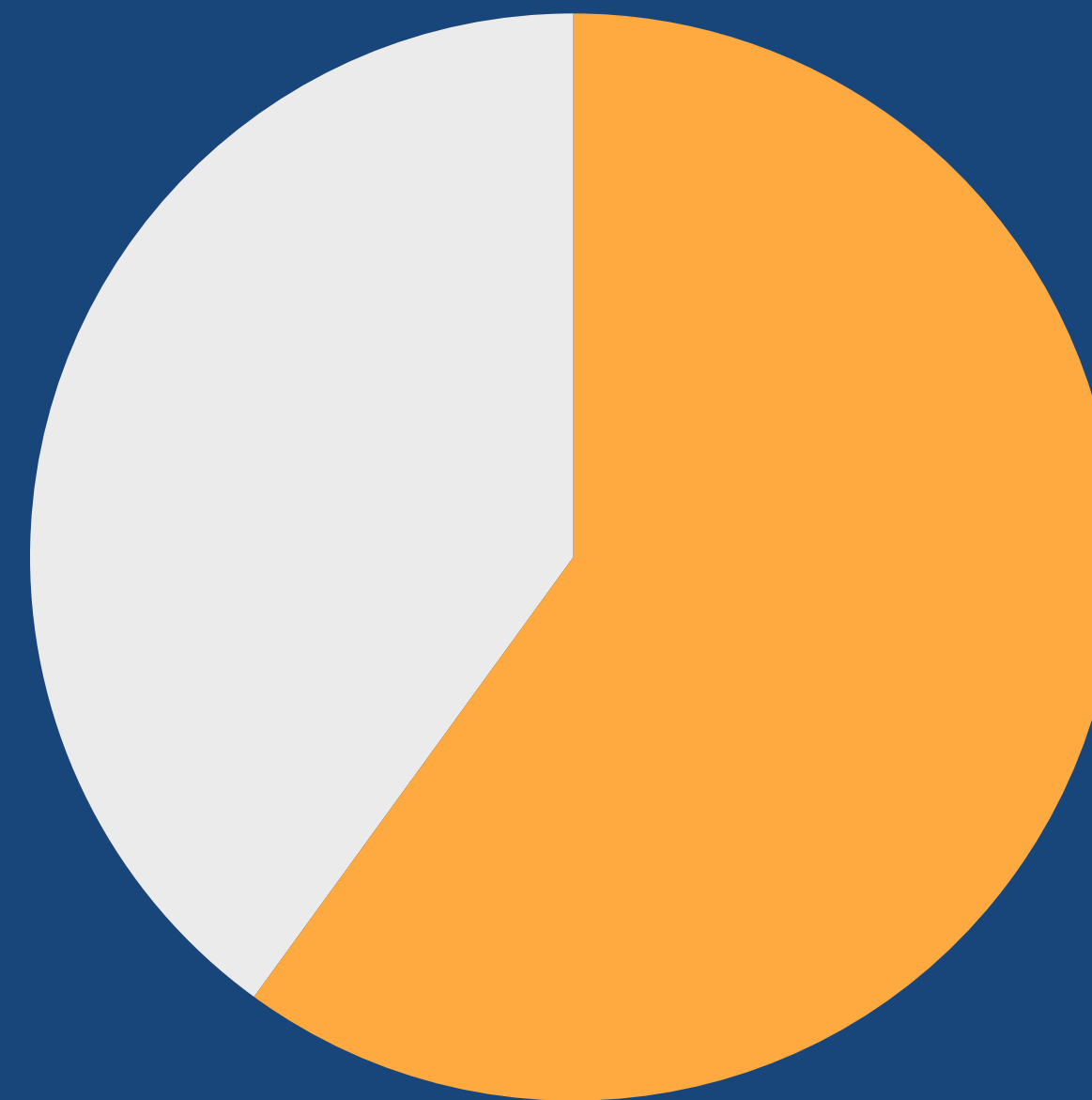
New technologies are  
disrupting firms...

Estimated impact of 12 technology  
platforms on the global economy

**\$33 trillion**  
**/YEAR**

through 2025

...and labor markets



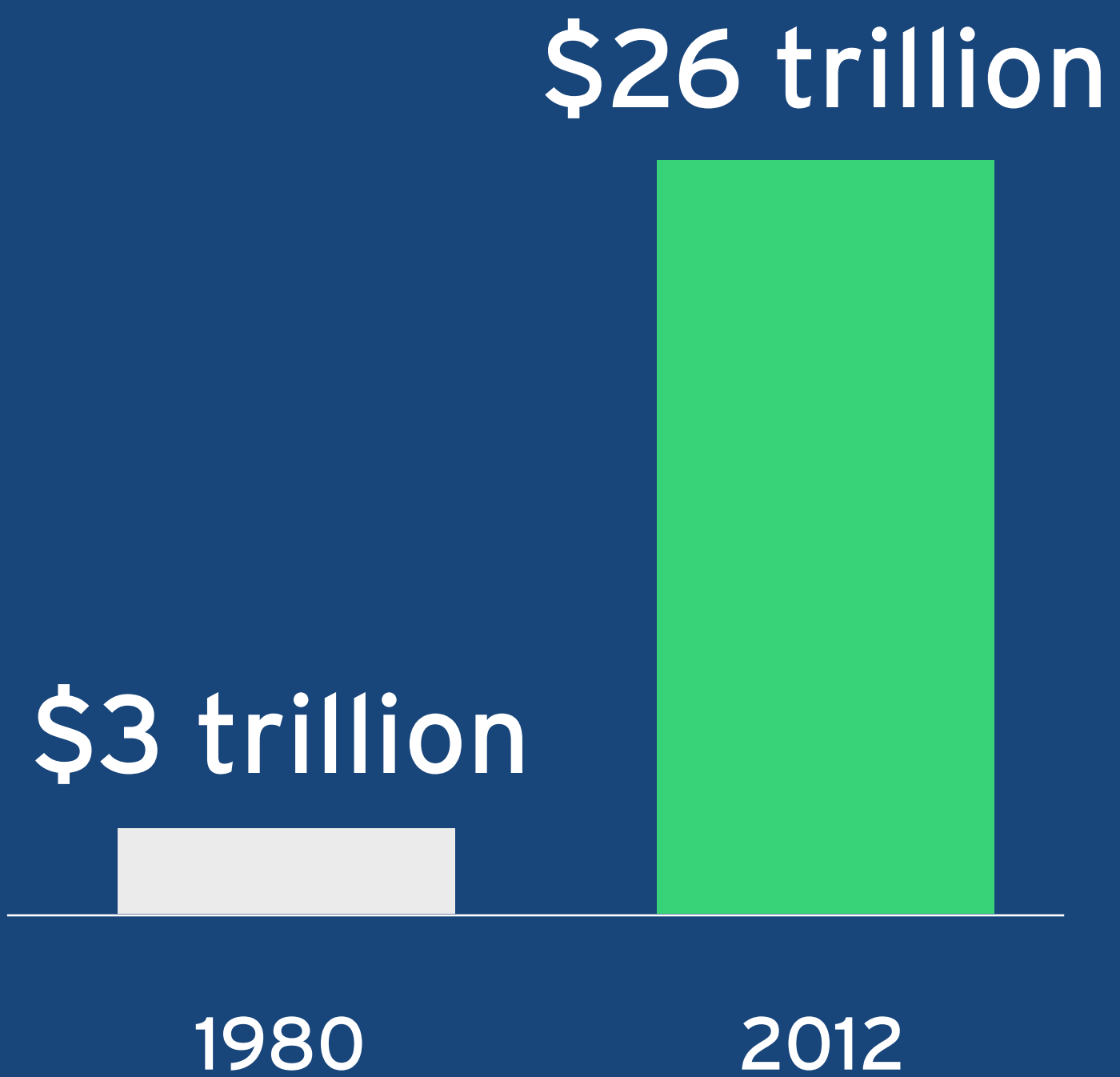
**60%**

of US occupations  
at risk of partial  
or complete  
automation



# International trade is exploding...

Cross-border flow of goods, services and capital

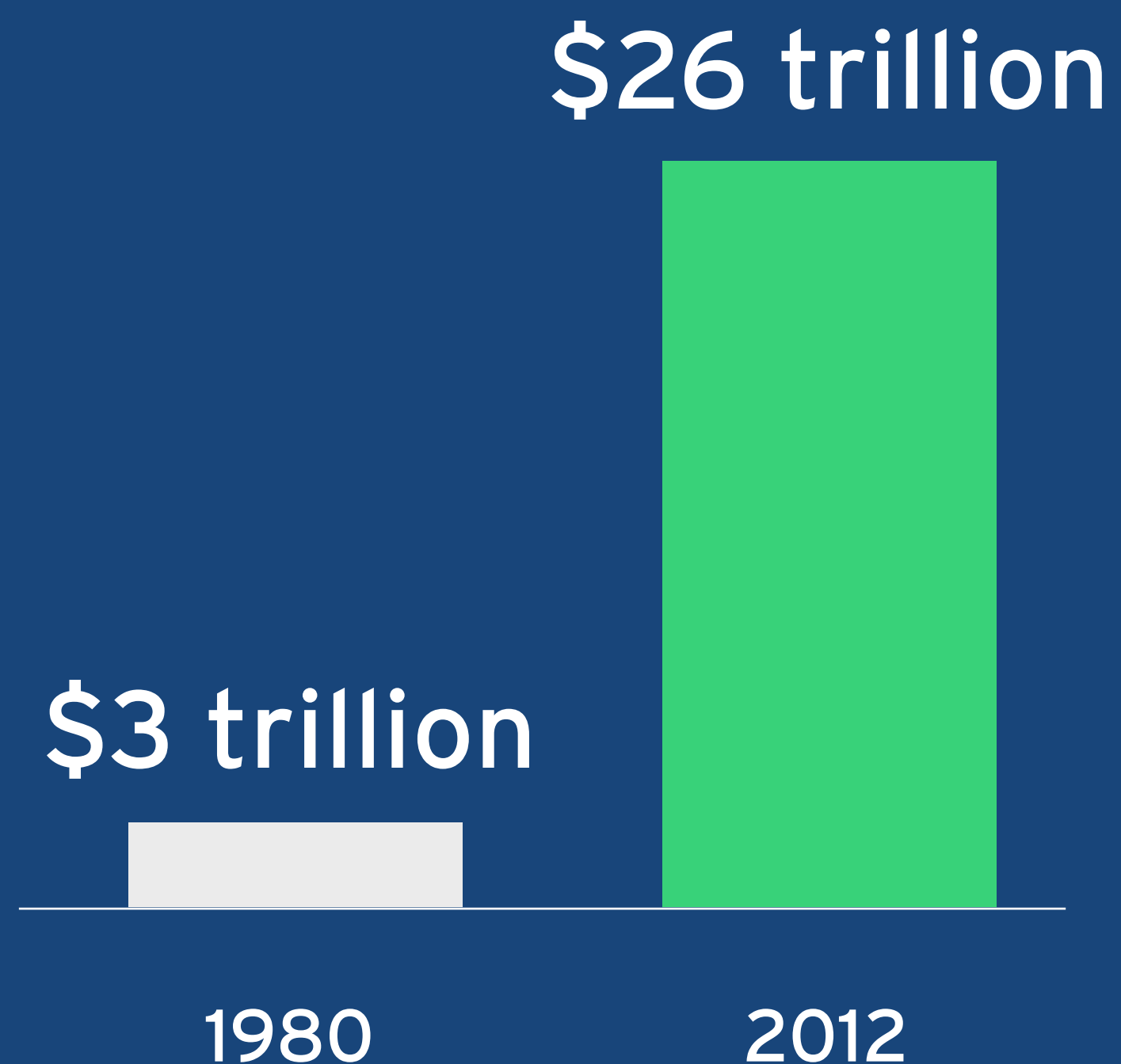




International trade is  
exploding...

...creating both opportunities  
and challenges

Cross-border flow of goods,  
services and capital



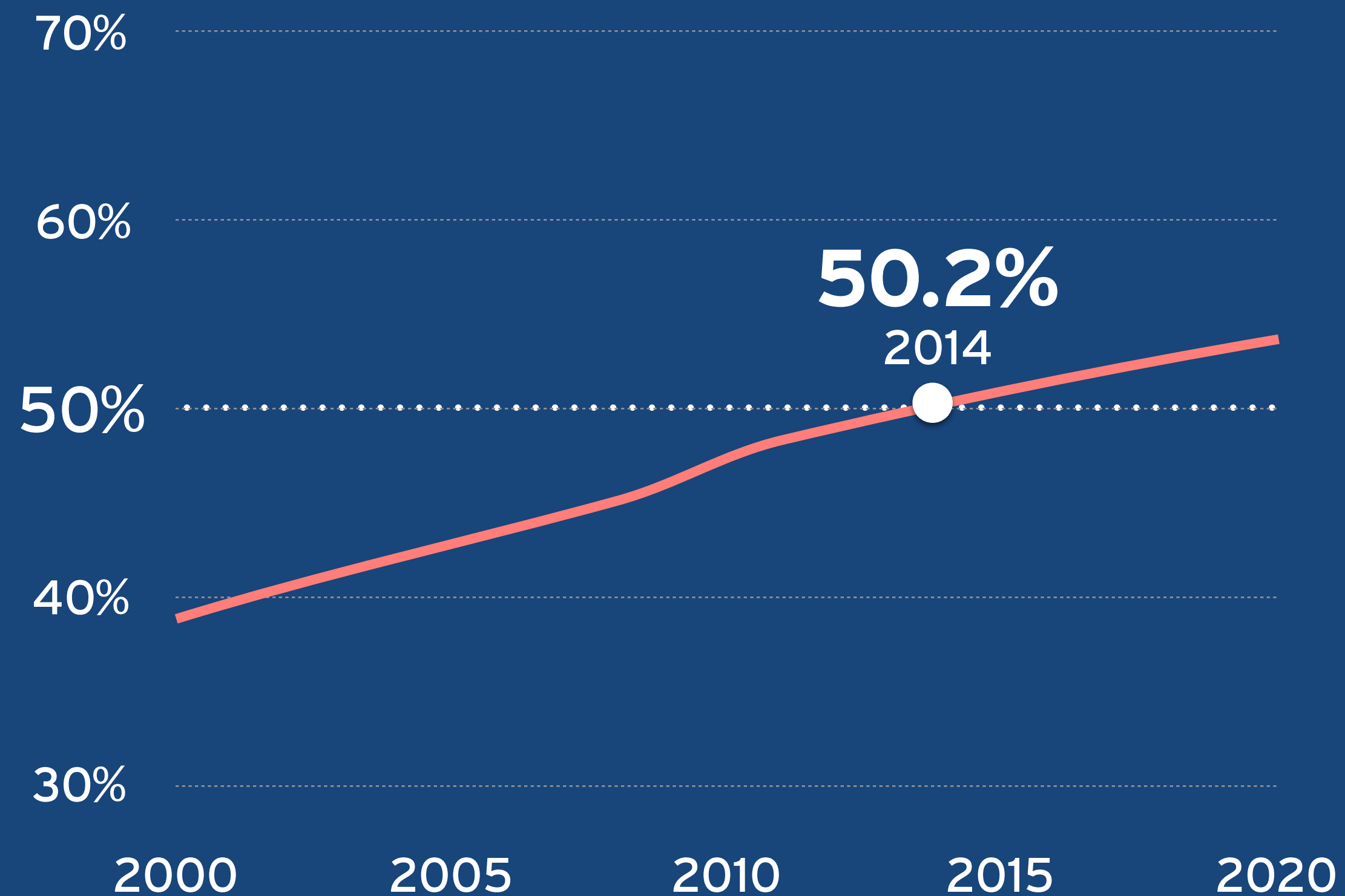
**2.4 million**

jobs lost in the U.S. due to  
import competition from  
China, 1999-2011



# The United States is rapidly diversifying...

## Non-white share of public elementary and secondary school students



Source: US Department of Education, Digest of Education Statistics, 2013  
Data projected from 2012-2020

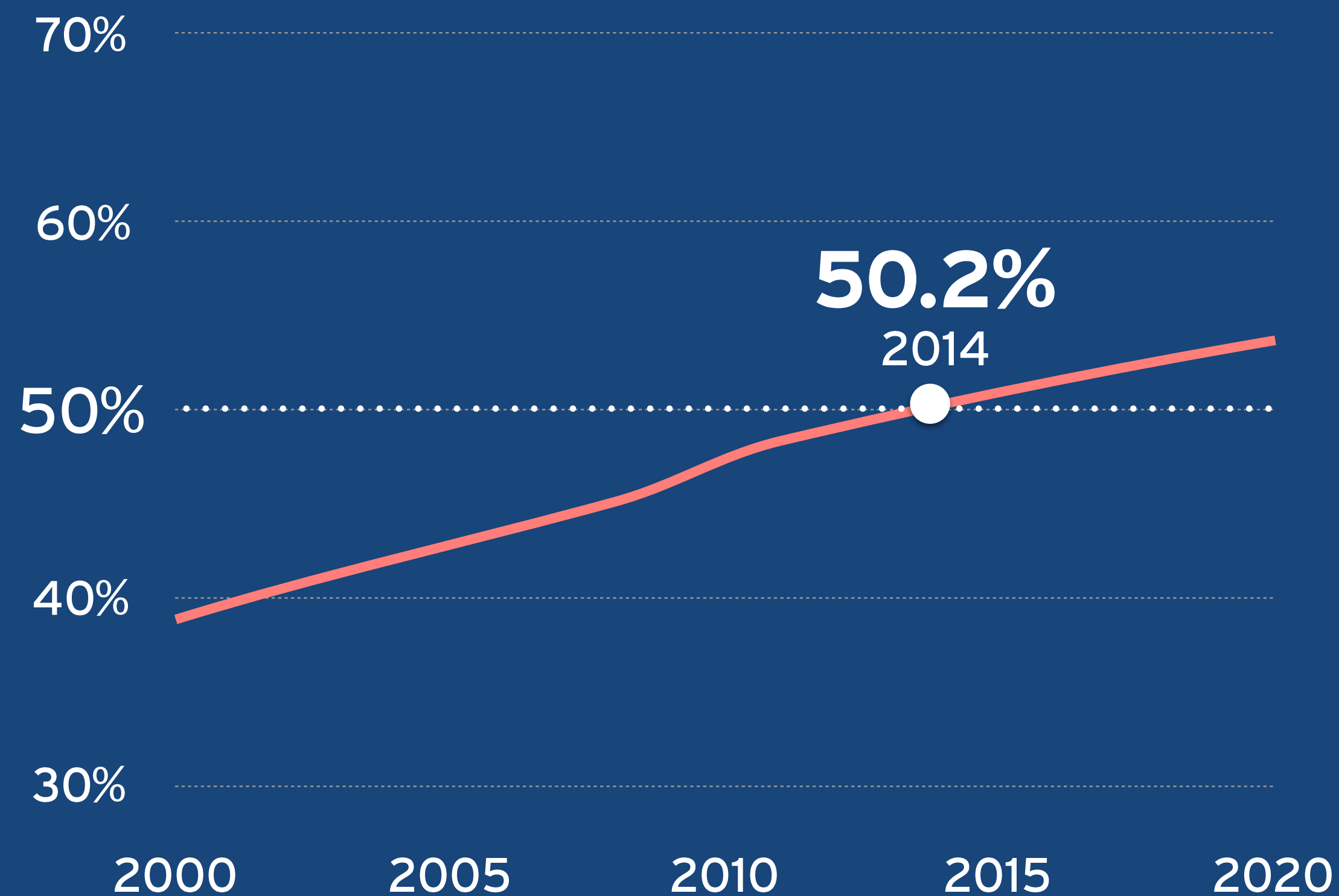




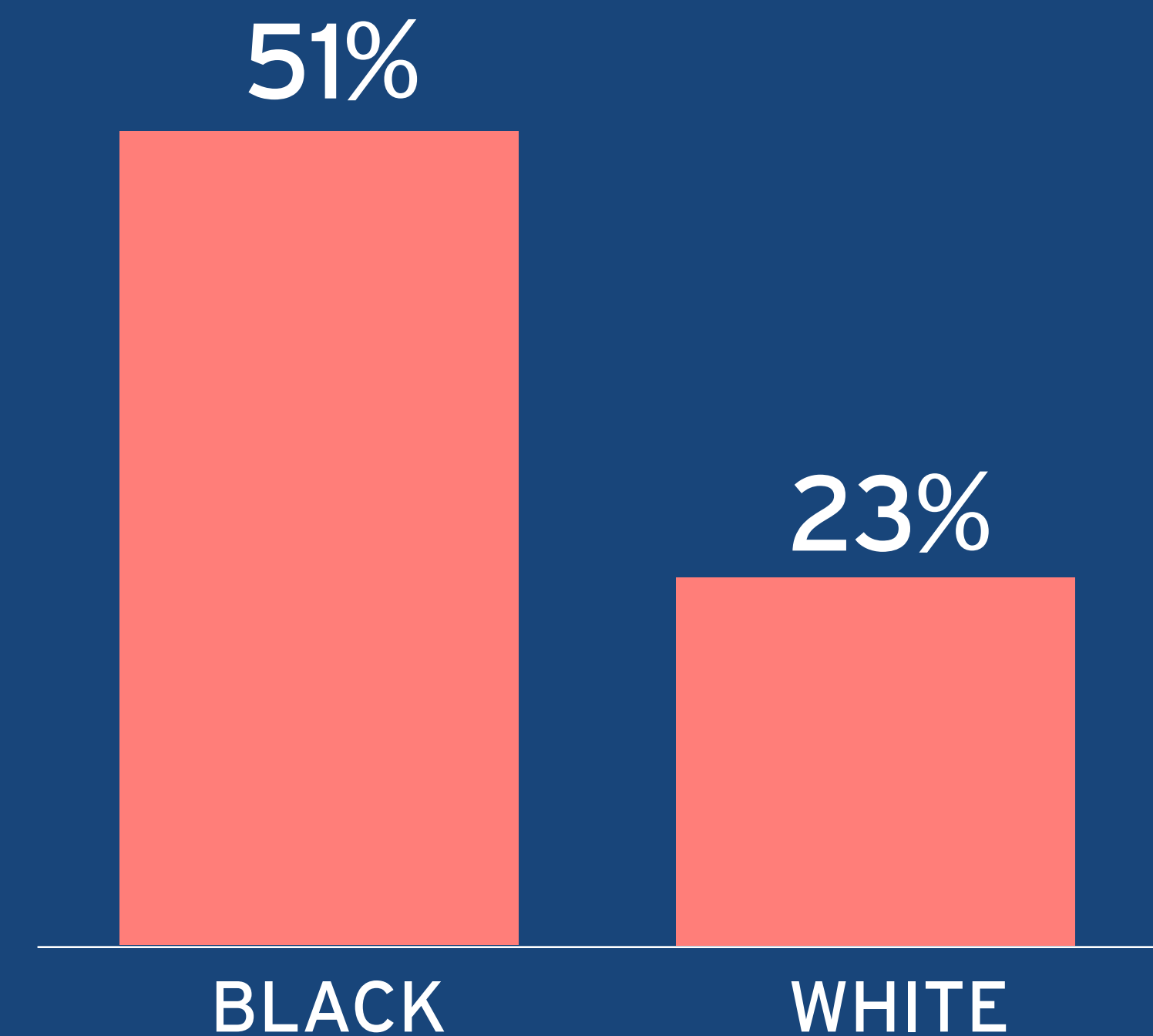
The United States is rapidly diversifying...

...yet blacks who are born poor are most likely to stay poor

Non-white share of public elementary and secondary school students



Share of individuals born poor who earn among the bottom 20% of households as adults

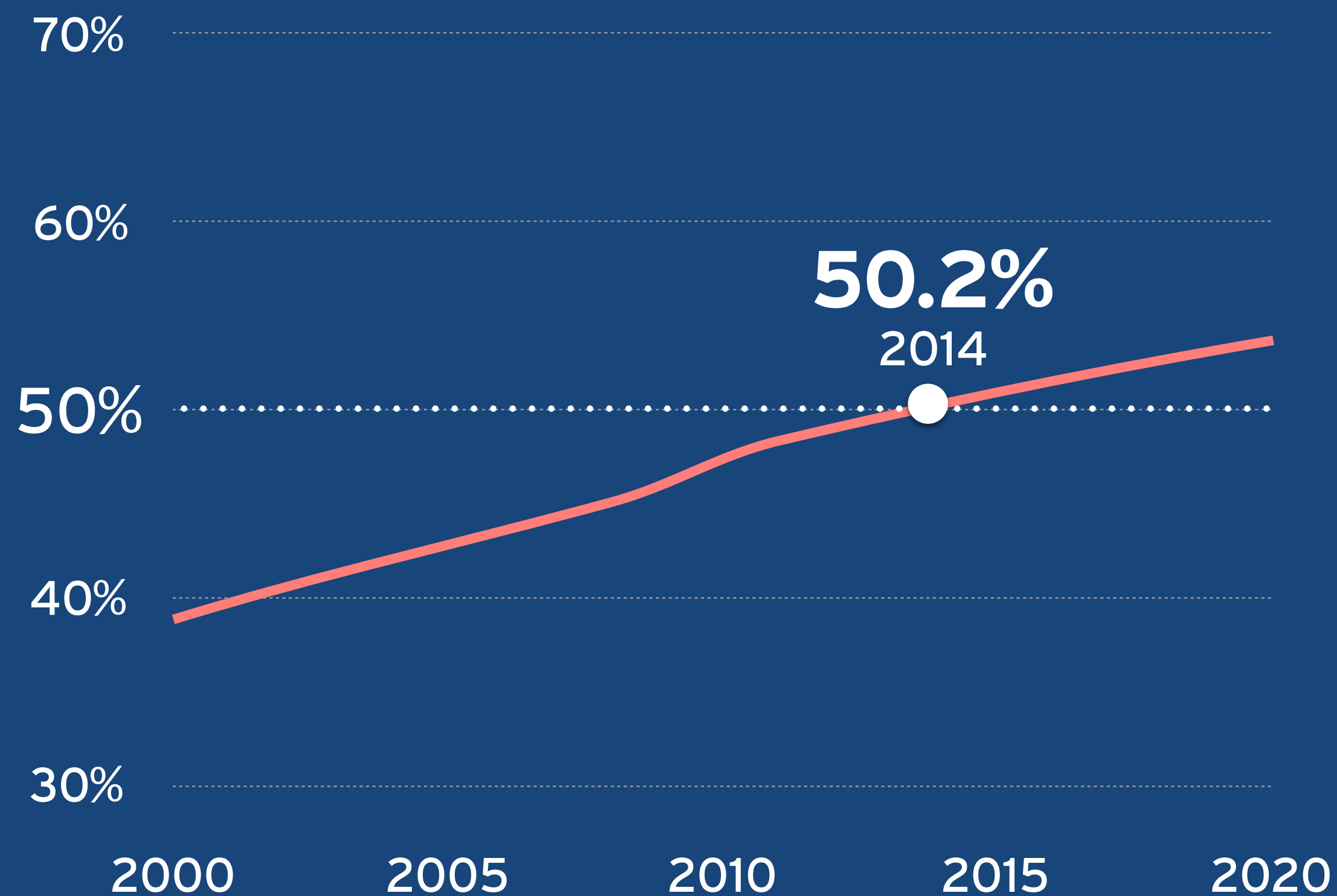




The United States is rapidly diversifying...

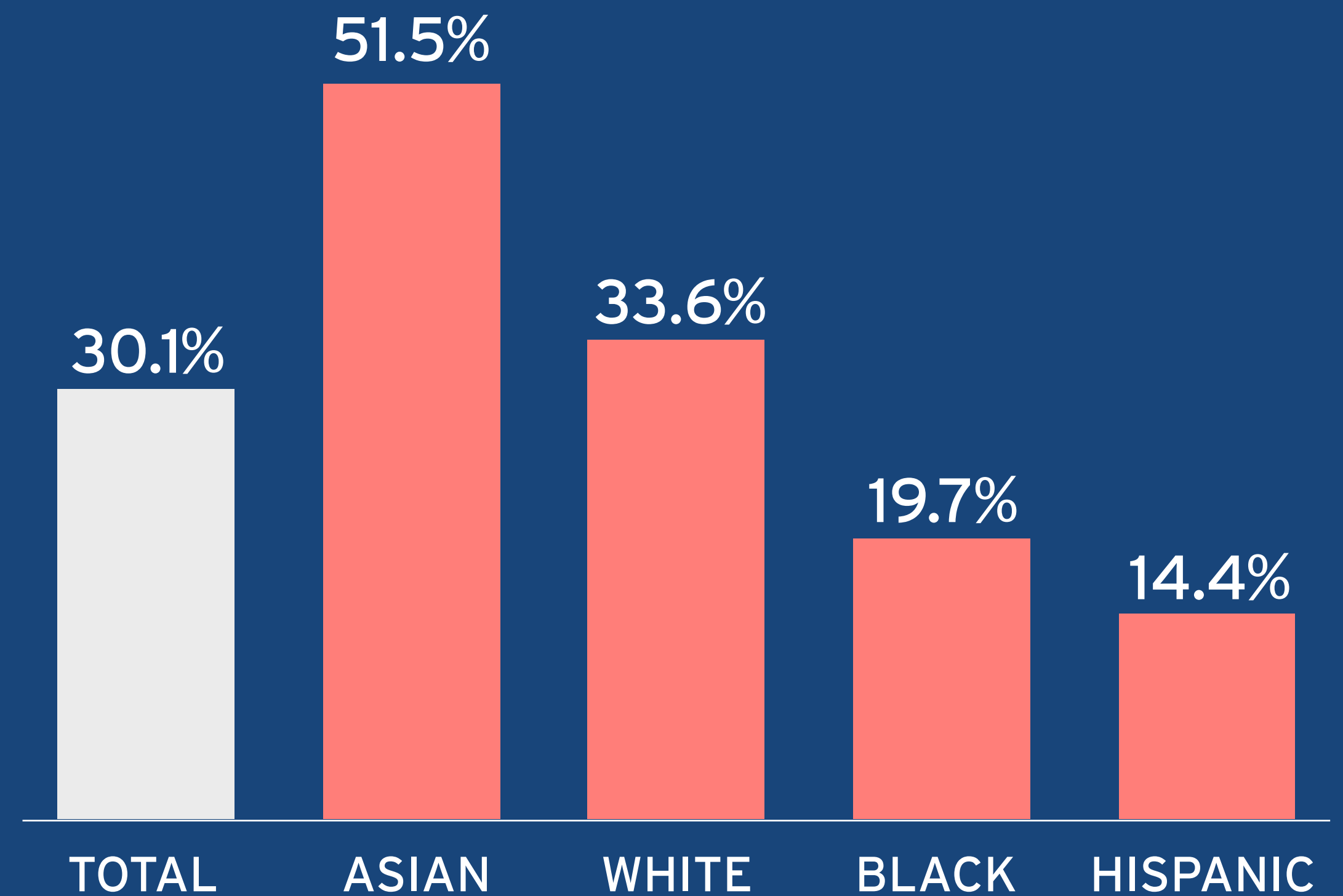
...and we are not preparing our future workforce

Non-white share of public elementary and secondary school students



Source: US Department of Education, Digest of Education Statistics, 2013  
Data projected from 2012-2020

Bachelor's degree attainment 2014



Source: US Census, American Community Survey, 2014

1

Components of metropolitan prosperity

2

Adapting to macro forces

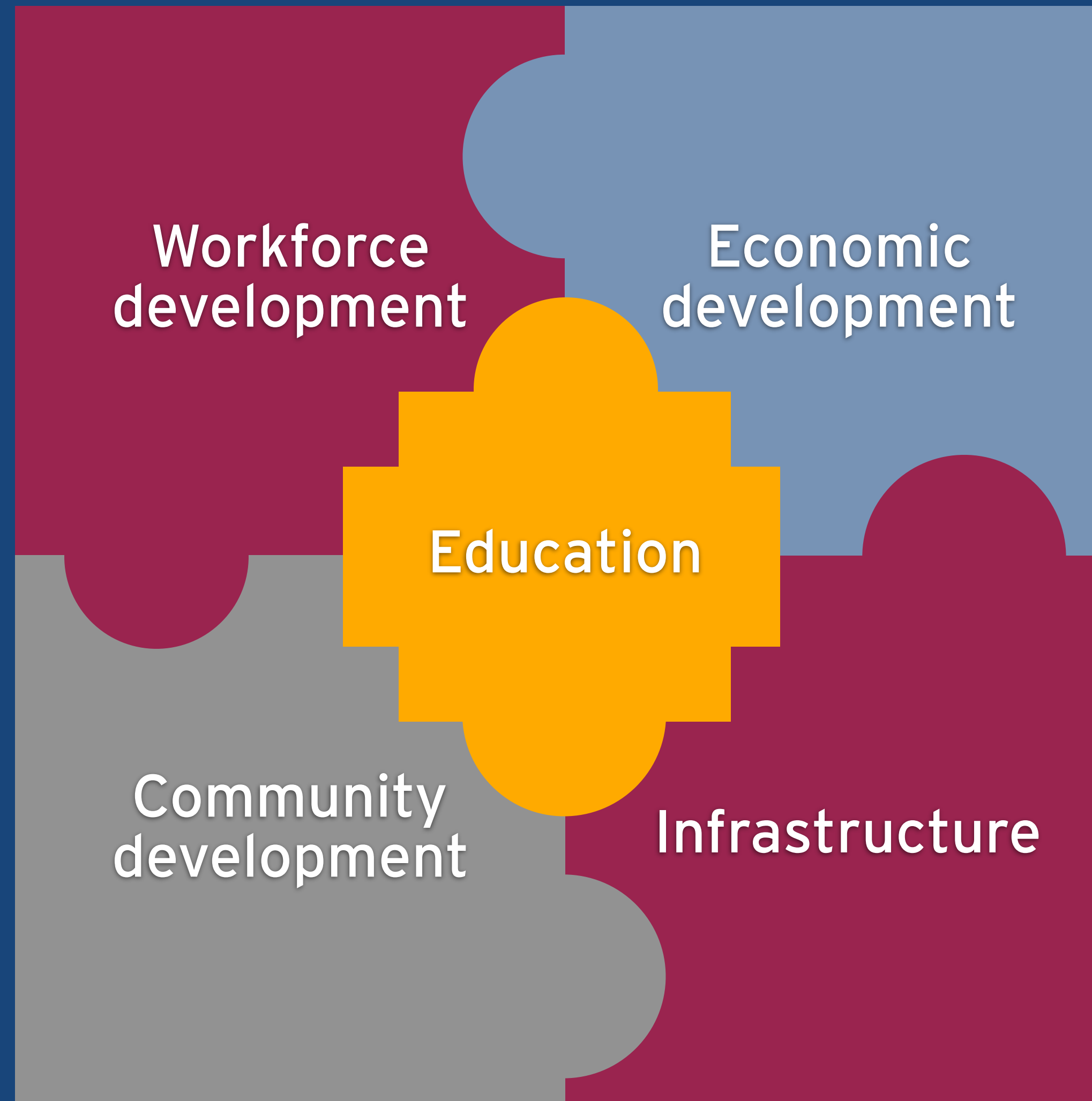
3

Emerging innovations in cities

# The goal:

“To put a regional economy on a trajectory of higher growth (*growth*) by increasing the productivity of firms and workers (*prosperity*) that raises standards of living for all (*inclusion*).”

# Solutions require civic collaboration





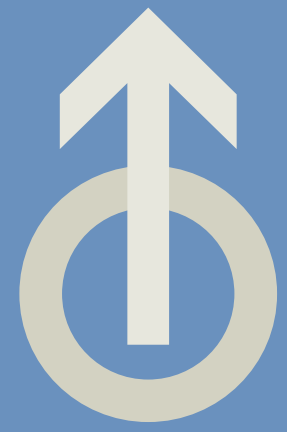
Strategies for  
growth



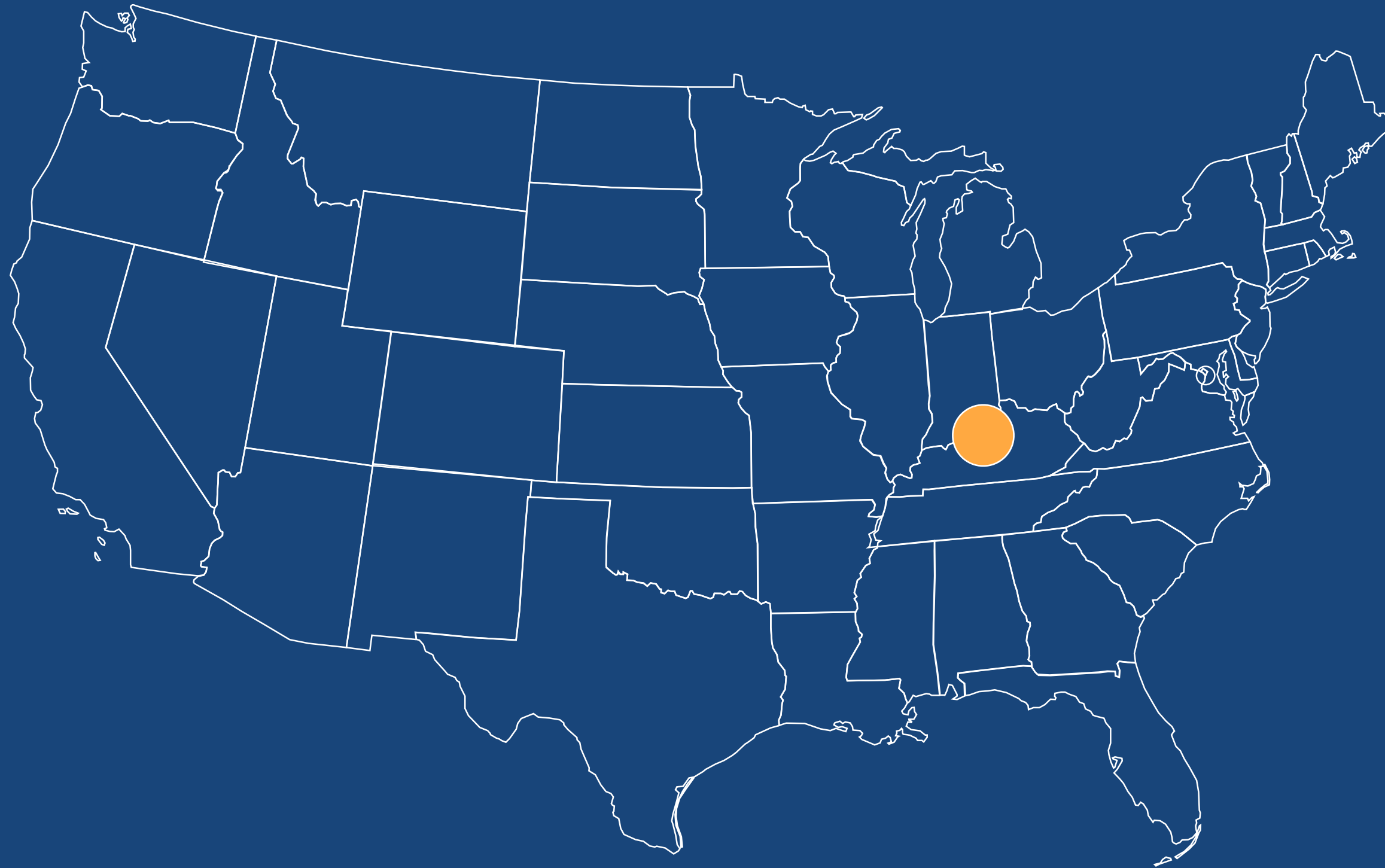
Strategies for  
prosperity



Strategies for  
inclusion



# Louisville-Lexington Kentucky FAME



KYFAM 

**3M**

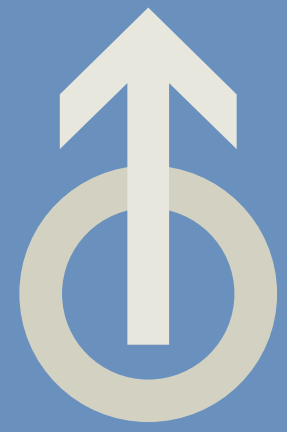
  
**Bluegrass**  
Community & Technical College



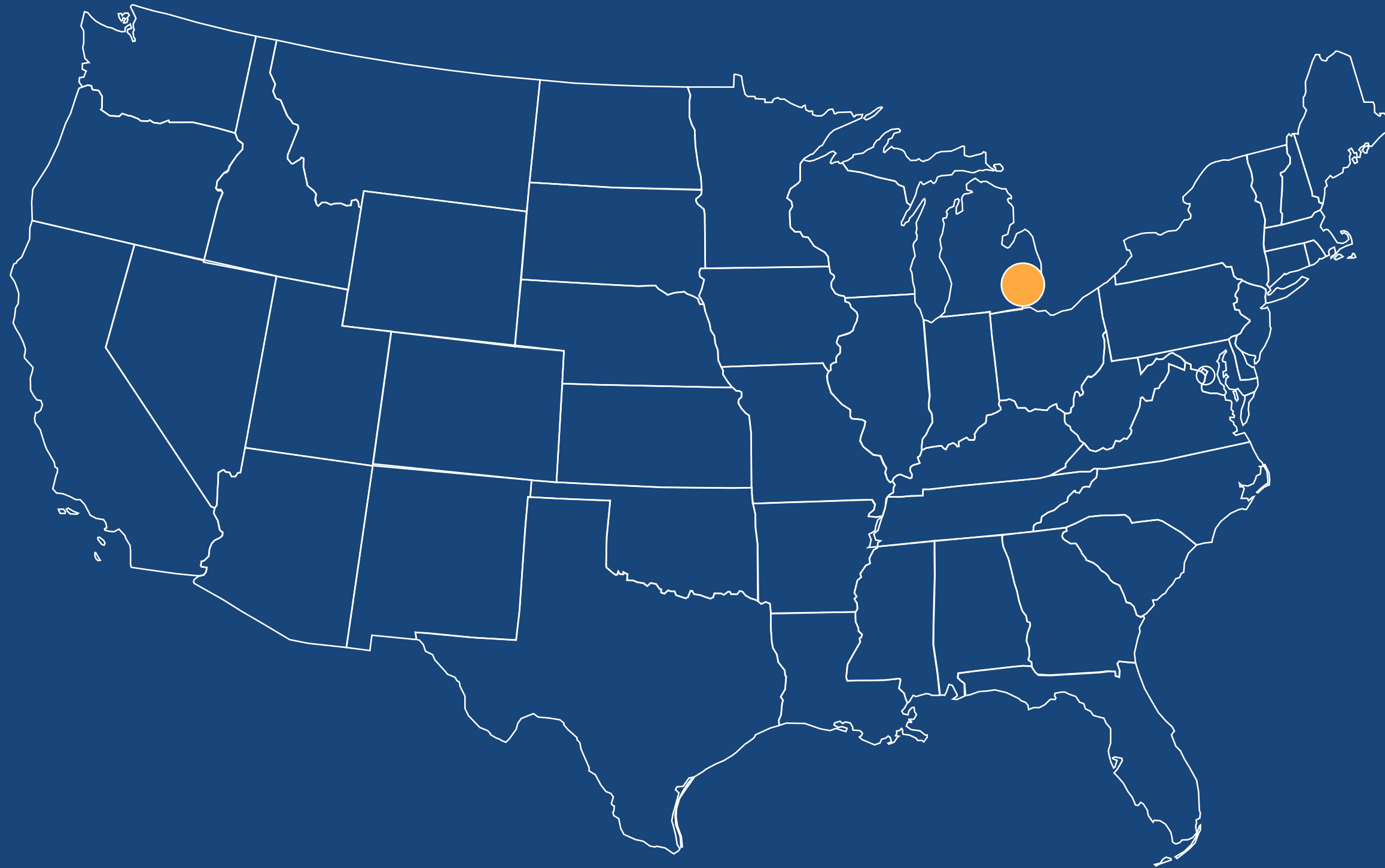
  
**TOYOTA**



UNIVERSITY OF  
**LOUISVILLE**



# Detroit Motor City Match



70%

of grants go to minority-owned businesses

66%

of grants go to Detroit residents



Strategies for  
growth

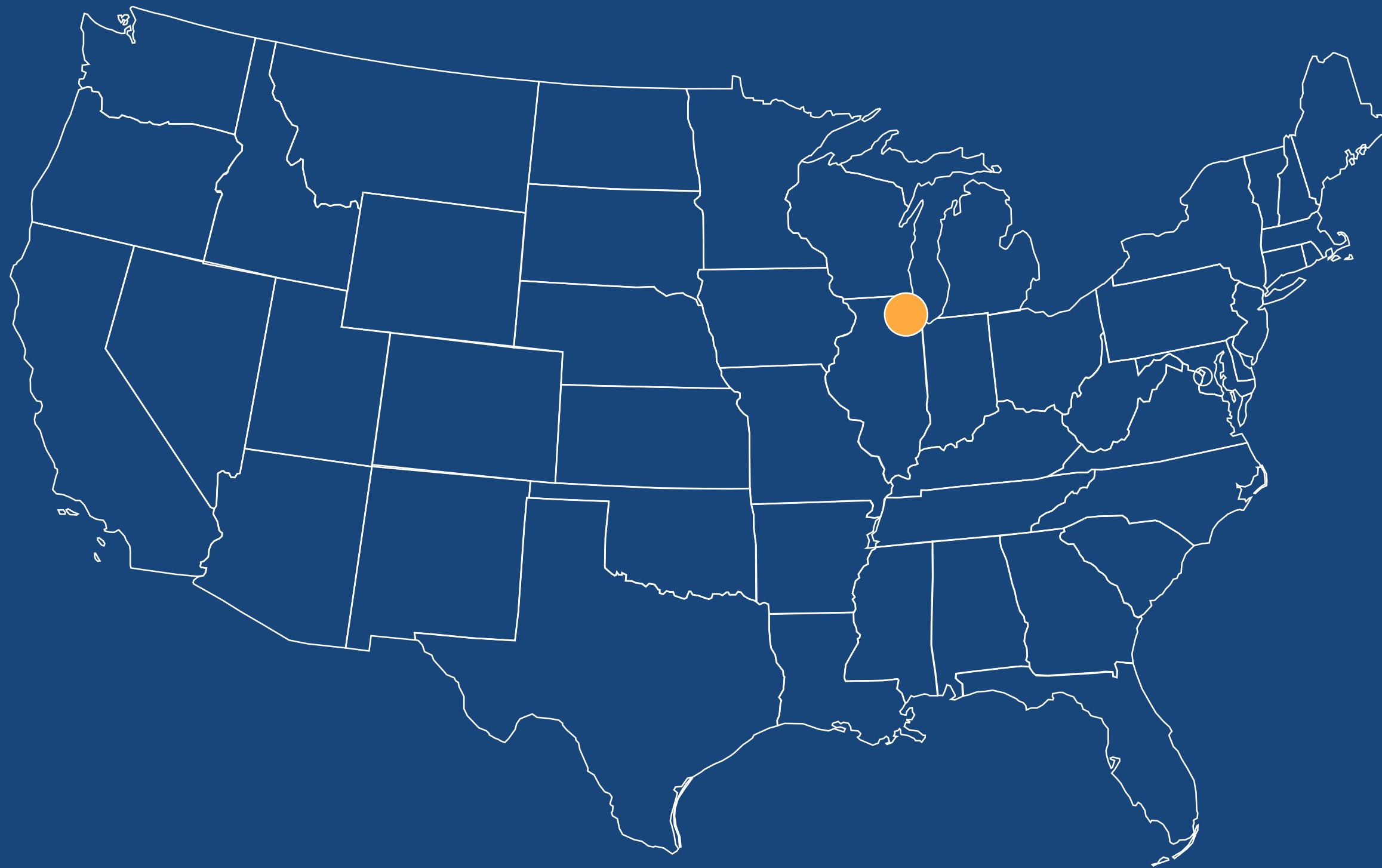


Strategies for  
prosperity



Strategies for  
inclusion





i.c.stars | \*





Strategies for  
growth



Strategies for  
prosperity

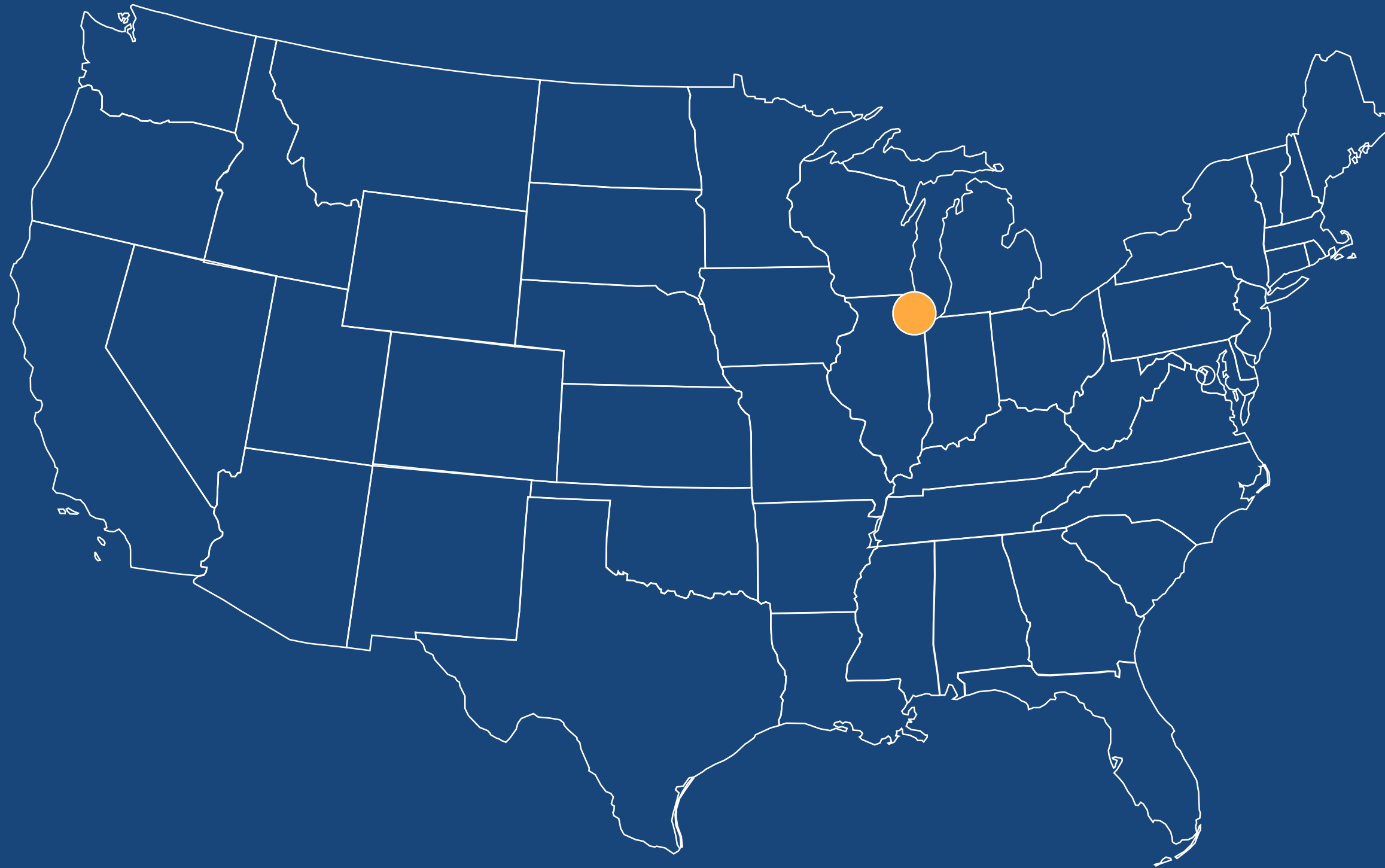


Strategies for  
inclusion





# Chicago Greater Chatham Initiative

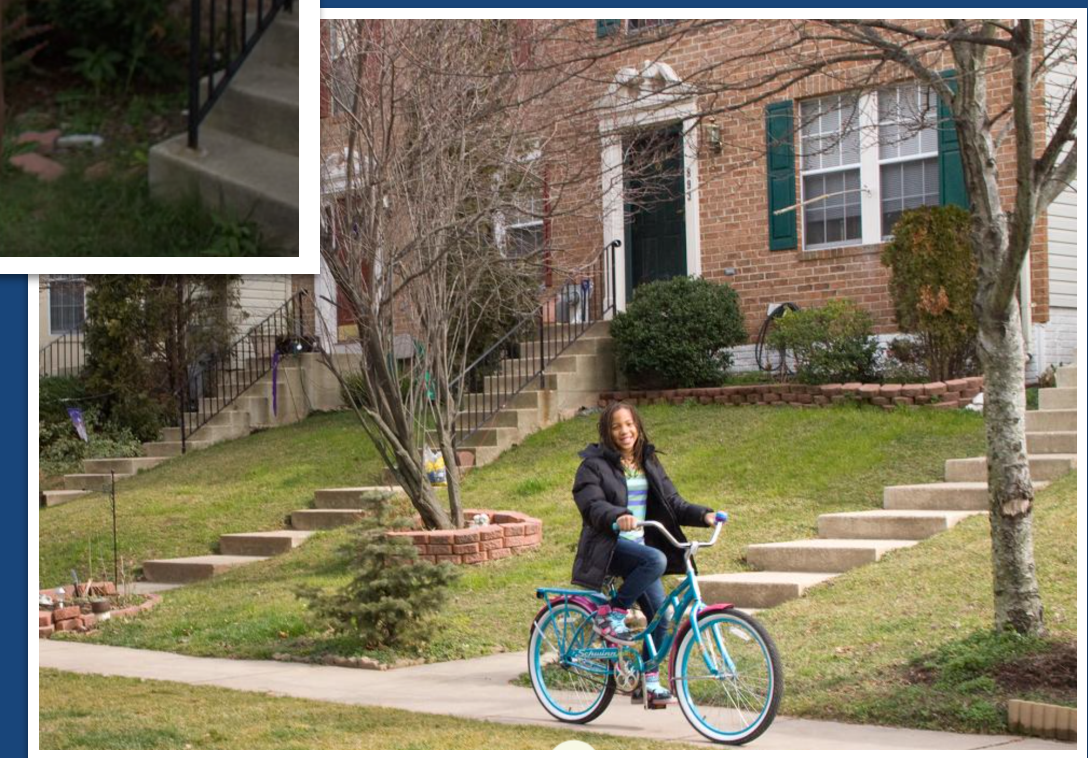
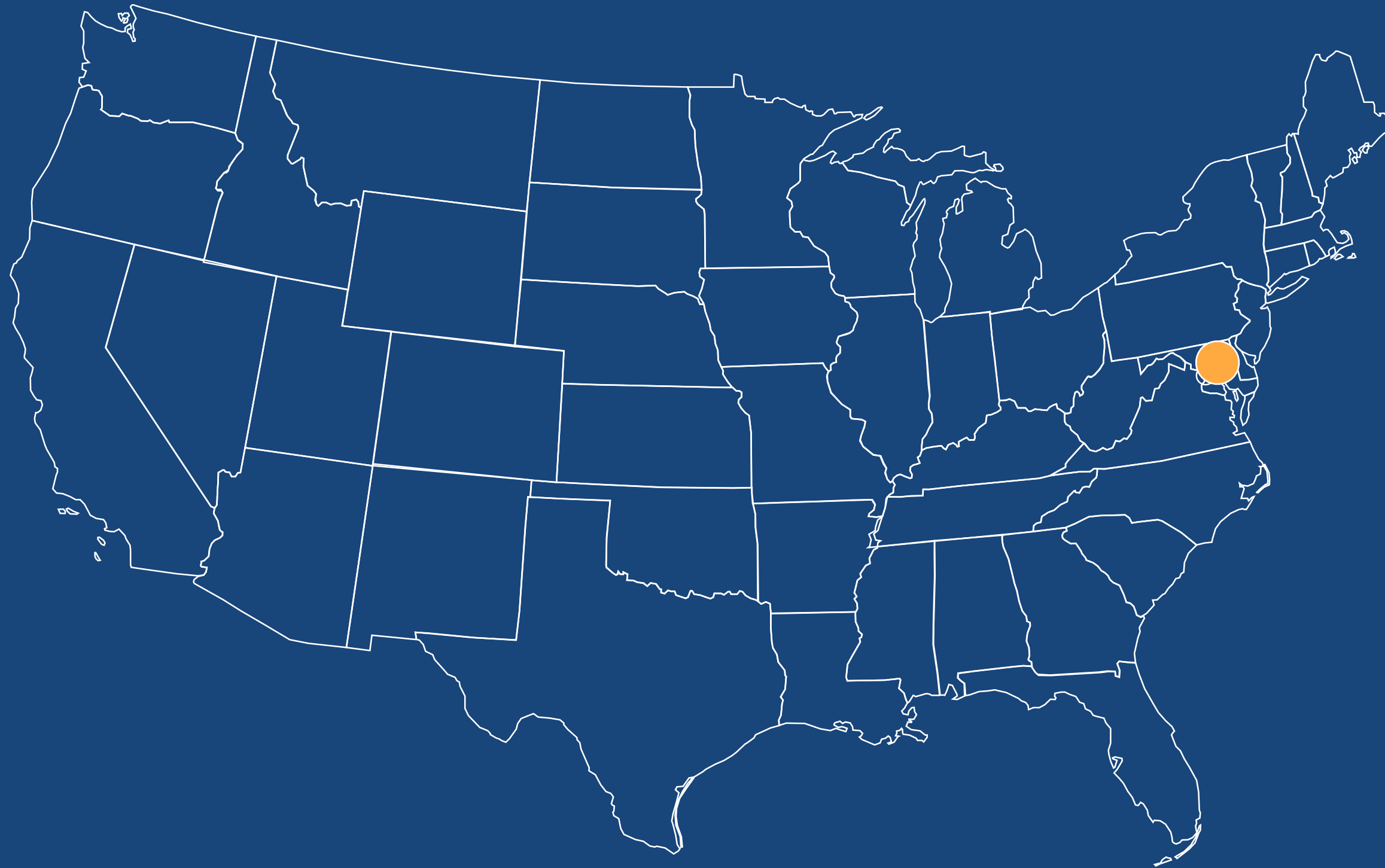






# Baltimore

## Baltimore Regional Housing Partnership



# Pathways to Inclusive Prosperity

AMY LIU

Brookings Metropolitan Policy Program

 @amy\_liuw

PHILADELPHIA

May 17, 2016